How Do Organizations Address the Tension Between Codes of Ethics and Employee Creativity?
The Role of Ethics Training

A DISSERTATION
SUBMITTED TO THE FACULTY OF THE
UNIVERSITY OF MINNESOTA
BY

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IN PARTIAL FULFILMENT OF THE REQUIREMENTS

FOR THE DEGREE OF

DOCTOR OF PHILOSOPHY

Alexandre Ardichvili, Advisor

August 2021

ACKNOWLEDGEMENTS

First and foremost, I would like to express my sincere gratitude to my advisor, Dr. Alexandre Ardichvili for his encouragement and continuous support throughout my years of study. His detailed guidance and feedback enabled me to complete this research. He also helped me transition from a business professional to a researcher and instructor, being a good example to show what a professor should be. I am also deeply indebted to the rest of my committee members: Dr. Sehoon Kim, Dr. Mary Jo Benner, and Dr. Catherine Twohig who inspired me to think outside of the box from diverse perspectives.

I would like to extend my deep appreciation to former colleagues: Sanghoon Bae, Juhee Lee, Jongsung Yoon, Euidong Kim, Jun Jang, Heungjae Yoo, and Jiman Hwang for helpful information and insightful suggestions that helped me create research model and collect data. I also wish to thank Yujin Han who took time to translate survey instruments. Many thanks to all participants. Without their participation, this project could not have been completed. Thank should also go to Barbara Beers and Dr. Meg Fitzgerald-Sisk for mentorship and unwavering support. I would like to thank colleagues and friends who have always been a major source of support. Special thanks to Suhyung Lee who had to put up with my stresses and moans during my job search.

Last but not the least, words cannot express how grateful I am to my loving family: parents, Youngsuk Seo and Kyungsim Jung, and my parents-in-law, Suseun Joo and Eunsook Jang for unconditional trust and encouragement; my wife, Jeeyoung, my son Giyun, and my daughter, Soobin for cheering me when I got weary. Without them, I would never have enjoyed this Ph.D. journey.

DEDICATION

This dissertation is dedicated to:

My wife, Jeeyoung, my son, Giyun, and my daughter, Soobin

who believed in me when I doubted myself.

ABSTRACT

Current companies need to be ethical and creative at the same time to survive in the rapidly changing environment. However, it is not easy for creativity to be compatible with ethical behavior. Codes of ethics which companies have adopted to prevent unethical behavior of employees can impede employee creativity by forcing employees to follow rules and regulations and generating the fear of sanctions. Addressing the tension between codes of ethics and employee creativity is essential. Paying attention to the role of ethics training in addressing the tension, this research investigated the effects of value-oriented ethics training on employee behaviors (i.e., employee creativity and ethical behavior). In addition, employing affective events theory and cognitive appraisal theory, this research examined the moderating effects of emotional and cognitive reactions to ethics codes on the relationship between value-oriented ethics training and employee behaviors to identify the boundary conditions in which the effects of value-oriented ethics training on employee behaviors are strong.

Data were collected from sales representatives and their managers/peers working in pharmaceutical companies which have codes of ethics and provide regular ethics training to sales representatives in South Korea via an online survey. The hypotheses were tested through hierarchical regression analyses, interaction plots, and simple slope tests. The findings of this study confirmed that value-oriented ethics training can foster both employee creativity and ethical behavior. In addition, the effect of value-oriented ethics training on employee creativity is stronger for sales representatives having low positive emotions and cognition than those having high positive emotions and cognition. However, sales representatives having high positive emotions and cognition generally

showed high levels of employee creativity and ethical sales behavior regardless of value-oriented ethics training.

The findings of this study contribute to compliance literature by empirically demonstrating how codes of ethics and ethics training collectively influence employee creativity as well as ethical behavior. Furthermore, this research can provide practical implications regarding how to create effective value-oriented ethics training by identifying boundary conditions to make the effect of value-oriented ethics training stronger.

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INTRODUCTION

Background

Assuring the ethical behavior of employees and promoting employee creativity are critical issues that companies should deal with at the same time (Bierly, Kolodinsky, & Charette, 2009). Preventing employees' ethical misconduct has a high priority for business survival (Kaptein, 2015; Lindenmeier, Tscheulin, & Drevs, 2012). Unethical behavior in business brings about devastating consequences including fines, executive imprisonment, and customer boycotts (Kaptein, 2015; Valentine, Godkin, Fleischman, & Kidwell, 2011). For instance, Enron, an energy company, closed down business in 2001 due to fraud by overstating earnings, and Wells Fargo, a bank, had to pay one billion dollars as a fine due to millions of fake accounts created by employees who tried to meet their sales target in 2016 (Michaels, 2018). To reduce ethical misconduct, companies have adopted compliance programs, defined as formal control systems to make sure that employees' business decisions are aligned with ethical principles derived from companies' core values as well as laws and regulations (MacLean & Behnam, 2010; McKendall, DeMarr, & Jones-Rikkers, 2002).

The governments in developed countries support such endeavors of companies because the unethical practice of companies can negatively affect society. The 2008 global financial crisis, for example, known as the consequence of "greed and irresponsibility of Wall Street" (Giacalone & Wargo, 2009, p.1), led many people to lose their jobs or become bankrupt (Dinçer, Hacıoğlu, & Yüksel, 2017). To address continuously repeated ethical scandals, the governments of, particularly, developed

countries, have encouraged companies to establish compliance programs to supplement the loophole of laws and regulations, by not only recommending specific programs including codes of ethics and ethics training but also providing incentives such as reducing fines when companies run effective compliance programs (Sample, 2015; United States sentencing commission, 2018; Weber & Wasieleski, 2013).

Along with complying with business ethics, business organizations need to be innovative to stay competitive (Anderson, Potočnik, & Zhou, 2014). Employee creativity is considered a vital driving force of innovation for organizations to obtain competitiveness and to survive in the fast-changing environments (Anderson et al., 2014; Hughes, Lee, Tian, Newman, & Legood, 2018). Employee creativity contributes to producing newer and more useful products or services that competitors cannot easily duplicate (Amabile, Conti, Coon, Lazenby, & Herron, 1996; Joo, Yang, & McLean, 2014; Scott & Bruce, 1994). Despite the importance of employee creativity, PwC (2017) reported that 77 percent of corporate leaders responded that "it is difficult to get the creativity and innovation skills they need" (p.1). Therefore, companies should simultaneously promote employees' ethical behavior and facilitate employee creativity to survive in fast-changing environments.

Problem Statement

Companies that desire employees to show ethical and creative behavior at the same time should consider the relationship between compliance programs and employee creativity given that compliance programs are important interventions that companies implement to foster employees' ethical behavior. To the best of my knowledge, little research has directly explored the effect of compliance programs on employee creativity.

A few studies on business ethics have demonstrated that ethical business culture can foster employee creativity (e.g., Agars, Kaufman, Deane, & Smith, 2012; Riivari & Lämsä, 2014; Valentine et al., 2011). Riivari and Lämsä (2014) explained that the values including open communication, trust, and transparency, which ethical business culture emphasizes, are also important to shape work environments where employees are motivated to behave creatively. Although these studies to present the positive effect of ethical business culture on employee creativity have shown that employees in the workplaces with mature ethical business culture (i.e., the final goal of compliance programs) are more likely to show creative behavior, they have paid little attention to the influence of compliance programs as interventions to build ethical business culture on employee creativity.

Research on rules and regulations has raised the possibility that compliance programs as a formal control system can impede employee creativity given that while compliance programs encourage employees to observe formal guidelines, creativity requires them to think differently (e.g., Hirst, van Knippenberg, Chen, & Sacramento, 2011; Kern, 2006; Martinaityte & Sacramento, 2013). In particular, among diverse compliance programs, codes of ethics, referring to written documents of norms, rules, or policies that employees should abide by, can be essential constraints of employee creativity, suggesting guidelines of employee behavior (Babri, Davidson, & Helin, 2019). In addition, the fear of ethics codes violation can harm employee creativity since such violations could result in sanctions and/or reduction in employee's social capital (Aylesworth & Cleary, 2020). In this regard, paradoxical tension between pressures to

follow the established rules and to create something new can be generated (Jarzabkowski, Lê, & Van de Ven, 2013).

However, it is difficult to say that people who prefer following well-defined instructions are not creative (Bierly et al., 2009). Wang (2019) maintained that "creativity may lead people to explore novel and previously untapped moral possibilities to pragmatically tackle difficult moral problems" (p.2). Hannafey (2003) explained that entrepreneurs face uniquely complex moral problems creating new technologies and new business models. This line of arguments implies that employees may be active in creativity not when they defy formal rules but when they are confident with the previously untapped ethical decision and do not feel the fear of sanction and reduced social value against the decision.

Compliance programs consist of various elements such as codes of ethics, ethics training, and whistleblowing, and each element has its own role in fostering employees' ethical behavior (Chen & Soltes, 2018; Kaptein, 2015). Codes of ethics tend to make employees passive, simply presenting ethical standards and punishments for violating the standards (Kaptein & Schwartz, 2008). In contrast, ethics training plays an important role in helping employees understand what codes of ethics mean and how to apply them to daily activities (Chen & Soltes, 2018; Stöber, Kotzian, & Weißenberger, 2019). As well as increasing awareness of ethics codes, ethics training can lower the tension that employees have when they make ethical decisions in uncertain and previously unknown situations (Gagne, Koestner, & Zuckerman, 2000). Thus, ethics training will play an important role in addressing the tension between codes of ethics and employee creativity.

As demonstrated in the above discussion, managing the tension between codes of ethics and employee creativity in the workplace is important. However, there is still a lack of understanding of the relationship. Research on compliance programs has mostly focused on what compliance programs effectively reduce unethical behavior without examining the effects of compliance programs on employee behaviors except for ethical behavior (Schwartz, 2016; Stöber et al., 2019). In particular, although cognition and emotions have been studied as critical variables to facilitate human behaviors in many disciplines such as psychology (Lerner, Li, Valdesolo, & Kassam, 2015; Phelps et al., 2006), compliance literature has paid little attention to the role of employees' emotions and cognition affected by codes of ethics and ethics training in showing ethical behavior and other behaviors including creativity.

Creativity research also has centered on identifying antecedents and outcomes of creativity without considering the specific context in which employee creativity should be activated (Martinaityte & Sacramento, 2013). For instance, highly regulated organizations which should establish strong compliance programs such as pharmaceutical companies will have different critical factors to promote employee creativity from others. Thus, research with an integrated view including both compliance programs and employee creativity is needed in order to address the tension between codes of ethics and employee creativity.

Purpose of the Study

The purpose of this study is to investigate how employees, affected by codes of ethics and ethics training, decide whether or not they will behave creatively and ethically. Previous research has demonstrated that cognition and emotions are essential driving

forces to influence individual behavior, attitude, motivation, or decision-making, grounding cognitive appraisal theory and affective events theory (e.g., Choi, Sung, Lee, & Cho, 2011; Luo & Chea, 2018; Murphy & Kiffin-Petersen, 2017; Neumann, 2017). While cognitive appraisal theory (Lazarus, 1991) explains the effect of cognition on emotion and behavior emphasizing that personal emotion and behavior may be different depending on cognitive appraisal (i.e., the personal interpretation of events that individuals face), affective events theory (Weiss & Cropanzano, 1996) argues that cognition and behavior are affected by emotions that individuals feel from events. Although these theories have assumed that the relationship between cognition and emotions is uni-directional, recent research advocates that cognition and emotions affect each other (Duncan & Barrett, 2007). Thus, this study focused on both the employees' emotional and cognitive reactions to codes of ethics to explore the effects of compliance programs on employee creativity and ethical behavior combining cognitive appraisal theory and affective events theory.

In particular, this research was conducted in the context of pharmaceutical companies located in South Korea. The pharmaceutical industry in South Korea has been rapidly growing over the past decade because the aged population has been increasing (Yim et al., 2012). Although the market size of the pharmaceutical industry in South Korea has been increasing, the competition has become fiercer because many domestic and global companies have entered the market, and the fierce competition tends to generate ethical misconduct (Kwon & Godman, 2016). Sullivan (2018) reported that a multinational pharmaceutical company in South Korea was indicted on the charge of kickbacks. The company abused a legal loophole that made it difficult to distinguish

between a donation and a kickback. According to the report, in recent years the Korean government and pharmaceutical companies have paid more attention to establishing compliance programs to eradicate ethical misconduct than in the past. Therefore, the pharmaceutical companies in South Korea are increasingly required to encourage employees to do their works creatively and ethically.

Research Questions

This dissertation formulated two research questions (RQs) to achieve the purpose of the study employing cognitive appraisal theory and affective effects theory as follows:

RQ 1. How does ethics training affect employee creativity and ethical behavior?

RQ 2. What is the relationship between ethics training, cognitive and emotional reactions to codes of ethics, employee creativity, and ethical behavior?

Significance of the Study

This study aims to examine how ethical training influences employee creativity and ethical behavior and to investigate how employees' cognitive and emotional reactions to ethics codes are associated with the relationship between ethics training and employee behaviors (i.e., employee creativity and ethical behavior). This study makes several significant contributions to business ethics research and practice.

First, this study expands the understanding of how compliance programs can affect employee creativity as well as ethical behavior. Companies establish compliance programs to prevent employees' ethical misconduct (MacLean & Behnam, 2010). Focusing on the main purpose of compliance programs, research on compliance has paid little attention to the influence of compliance programs on other employee behaviors including employee creativity.

Second, the findings of this research shed light on the role of value-oriented ethics training in promoting employee creativity as well as ethical behavior. Although most compliance scholars have acknowledged that ethics training among diverse elements of compliance programs has the most substantial impact on ethical behavior (Ruiz, Martinez, Rodrigo, & Diaz, 2015), little research has been conducted on how a certain ethics training type (i.e., value-oriented ethics training) is associated with employee creativity. Furthermore, examining the roles of the emotional and cognitive reactions to ethics codes on the relationship between ethics training and employee behaviors, this study may broaden the understanding of substantial conditions to enforce the effects of value-oriented ethics training on employee creativity and ethical behavior.

Third, a contribution of this study is that it investigates employee creativity in the context of highly regulated organizations. Highly regulated organizations such as pharmaceutical companies have strict ethics codes to prevent unethical behavior, and, at the same time, innovation is considered a core competency enabling them to retain their competitive advantage (Festel, Schicker, & Boutellier, 2010; Kessel, 2011). Fried (2017) emphasized that effective communication between organizations and employees is essential for companies to seek innovation in the highly regulated industries such as pharmaceutics and banking, acknowledging that many legal and regulatory obstacles negatively influence innovation. Many compliance-related publications also have paid attention to the importance of effective use of ethics training to embed codes of ethics in practice (Babri et al., 2019). This study expands previous research, exploring how ethics training affects employee behaviors along with cognitive and emotional reactions to codes of ethics which influence employee behavior in highly regulated organizations.

Lastly, MacKenzie, Garavan, & Carbery (2012) argued that HRD scholars and practitioners need to research how companies encourage employees to challenge the status-quo without unethical behaviors, reflecting that HRD's roles prior to the global financial crisis focused on short-term interventions for performance. This study provides valuable insights to HRD scholars and practitioners who research and create interventions to increase the effectiveness of organizations.

Definitions of Key Terms

The following key terms are employed to build a conceptual model.

Compliance programs: "formal control systems that aim to create predictability in employee behavior and correspondence between specific employee behaviors and more general organizational goals and expectation" (Weaver & Treviño, 1999, p. 317). Although compliance programs could include various elements, codes of ethics and ethics training are two of the most popular elements that companies implement (Kaptein, 2015).

Codes of ethics: "a distinct and formal document containing a set of prescriptions developed by and for a company to guide present and future behavior on multiple issues of at least its managers and employees toward one another, the company, external stakeholders and/or society in general" (Kaptein & Schwartz, 2008, p. 113).

Ethics training: "a platform for organizations to communicate the standards and procedures of the organization, as well as other important aspects of the ethics and compliance programs" (Warren, Gaspar, & Laufer, 2014, p.87)

Employee creativity: "the production of novel and useful ideas in any domain" (Amabile et al., 1996, p. 1155).

Ethical sales behavior: "fair and honest actions that enable the salesperson to foster long-term relationships with customers based on customer satisfaction and trust" (Román & Munuera, 2005, p. 474).

Cognition: information processing including "the acquisition of sensory information, the storage, retrieval, and use of that information for making behavioral decisions" (Rowe & Healy, 2014, p.1288).

Emotion: "affective responses to what happens in the environment and cognitive representations of the event's meaning for the individual" (Frijda & Mesquita, 1994, p. 52).

Summary

Current business organizations operate in an environment that requires them to prevent employees' unethical behavior and to encourage employee creativity to survive in the rapidly changing environment (Bierly et al., 2009). Codes of ethics that companies initially adopt to secure employees' ethical behavior may influence employee creativity negatively because the codes force employees to follow rules and regulations and generate employees' negative cognition and emotions. Despite the importance of addressing the conflict between codes of ethics and employee creativity, research on how to mitigate the tension is scarce. This study focuses on examining how ethics training affects employee creativity and ethical behavior, and how cognitive and emotional reactions to ethics codes influence the relationship employing cognitive appraisal theory (Lazarus, 1991) and affective events theory (Weiss & Cropanzano, 1996).

CHAPTER 2

LITERATURE REVIEW

This chapter presents the review of literature that this study relied on to develop a conceptual model and hypotheses. In this chapter, I first discuss the relationship between business ethics, ethical business culture, and compliance programs, following by reviewing elements of compliance programs and approaches that companies use to encourage employees to display ethical behavior. Second, creativity literature including the definition of creativity and antecedents to promote it is discussed. Finally, the theoretical framework is presented to explain the relationship among ethics training, codes of ethics, ethical behavior, and employee creativity.

Compliance Programs

Business Ethics

To elaborate on the compliance programs, understanding business ethics is required because compliance programs are one of the tools to enhance business ethics. Three normative theories of business ethics demonstrate elements that companies should take into account when they make decisions: stockholder theory, stakeholder theory, and social contract theory (Hasnas, 1998). Maintaining that "the social responsibility of business is to increase its profit" (p. 12), Friedman (2007) emphasized that managers of corporations, as agents of stockholders, advocate only stockholders' interest. Although stockholder theory centers on stockholders' interests, it strictly limits companies' activities within the laws. Stockholder theory supports the perspective that a free market in a legitimate regime does not need additional ethics systems, such as self-regulation

systems, to prevent business misconduct, because actors can make rational choices not to violate laws (Friedman, 2007).

Stakeholder theory enlarged the realms of corporate responsibility from stockholders to stakeholders, compared with stockholder theory. Freeman (1984) defined stakeholders as "any group or individual who can affect or be affected by the achievement of the organization's objectives" (p. 46). Fassin (2009) categorized stakeholders into three groups: "the internal constituents and stakeholders who have a real stake in the company, the pressure groups that influence the firm, and the regulators who impose external control and regulations on the firm" (p. 121). These three different groups have different interests since they have distinct profiles. For instance, while stockholders classified as the internal constituents are interested in high profits, governments as a regulator are concerned about the violations of laws and regulations. Stakeholder theory highlights that companies should consider balancing the benefits of all stakeholders when they make decisions (Miles, 2017). The stakeholder theorists have argued that companies should consider ethical aspects, as well as laws and regulations, in order to mitigate the conflicts of interest between stakeholders (Donaldson & Preston, 1995). Furthermore, stakeholder theory suggests that self-regulatory systems can be useful to balance the interests between stakeholders, given that laws cannot solve all the issues in business and are created after widely accepted behavior is established (Fassin, 2009).

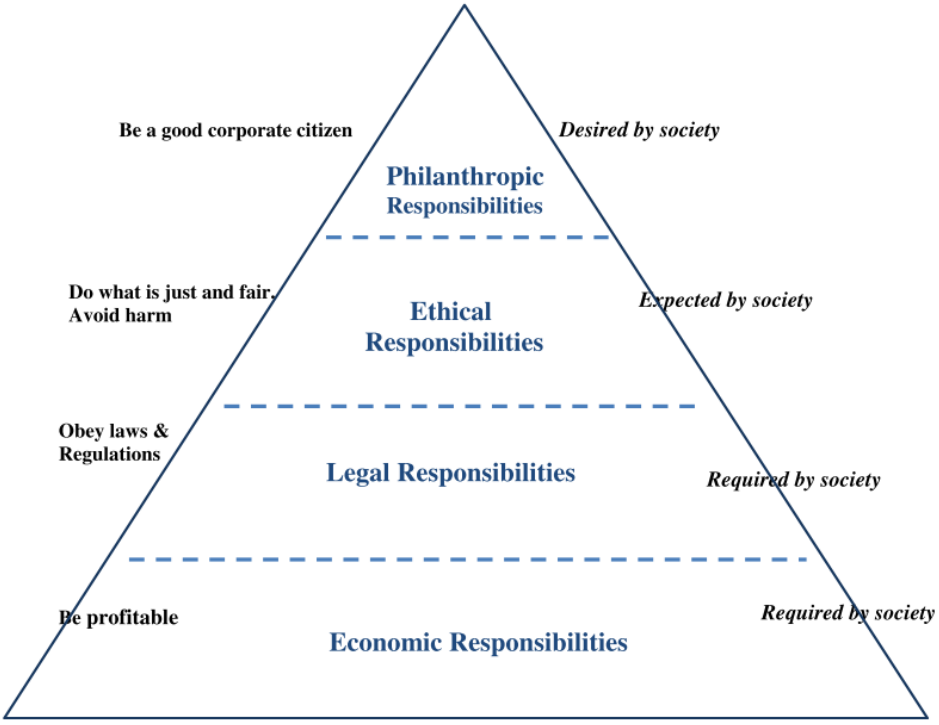
Finally, social contract theory has been in the limelight of business ethics (Luetge, Armbrüster, & Müller, 2016). Donaldson and Dunfee (1994) applied the concept of social contracts developed by enlightenment philosophers including John Locke, Thomas

Hobbes, and Jean-Jacques Rousseau to business ethics. According to social contract theory, three common elements are needed to create social contract: "(1) consent of the individual, (2) agreement among moral agents, and (3) a device or method by which an agreement (actual or hypothetical) is obtained" (Dunfee, Smith, & Ross, 1999, p. 17). Similarly, Donaldson and Dunfee (1994) explained that companies that are considered productive organizations could make a hypothetical contract with society. It means that companies should fulfill the expectations of the members in a society, in order to keep the contracts. Hasnas (1998) maintained that corporations should be ethically obligated to enhance social welfare and justice under a social contract.

Carroll (2016) suggested the pyramid for four responsibilities of companies for society (see Figure 1). At the base of the pyramid, companies are required to be responsible for making profits and for following laws and regulations. The higher level of responsibilities in the pyramid of Corporate Social Responsibility (CSR) is that companies "do what is just and fair and avoid harm" (i.e., ethical responsibilities) (p. 5). Ethical responsibility includes not only following laws and regulations but also not doing things widely accepted as bad things although laws and regulations do not identify them as such (Carroll, 2016; Reid & Toffel, 2009). The final corporate social responsibility is to "be a good corporate citizen." (p. 5). Carroll (2016) mentioned that these four layers are not hierarchical. Rather, companies should pursue all four social responsibilities at the same time. As a result, stakeholder theory, social contract theory, and the pyramid of CSR demonstrate that modern companies should contemplate ethical aspects that are not constrained by current laws and regulations when they make business decisions in order to balance the interests of diverse stakeholders and to be responsible for society.

Figure 1

Carroll's Pyramid of CSR



Note. Adopted from Carroll (2016, p.5)

Compliance Programs and Ethical Business Culture

In the discourse of business ethics, self-regulation is acknowledged as an effective strategy to secure business ethics (Norman, 2011; Parker, 2000; Short & Tofel, 2010). Stakeholder theory and social contract theory suggest that companies should establish their ethical guidelines that deal with ethical issues not defined by laws in order to meet the diverse interests of various stakeholders (Eberlein & Matten, 2009). Along with the normative reasons, there are three descriptive reasons for companies to adopt a self-regulation strategy.

First, social movement activists have called for companies to establish self-regulation systems, claiming that legal systems have loopholes that harm society such as

international labor and environmental standards (Davis, Morrill, Rao, & Soule, 2008; Verschoor, 1998). Second, legal sanctions do not obtain enough deterrent effects to prevent ethical misconduct of companies. When self-regulation structures of companies are aligned with legal systems, the two regulatory systems could show a synergistic effect in reducing ethical misconduct (Barnett & King, 2008). Finally, governments have faced a situation in which regulatory budgets have been decreased whereas regulatory demands have increased (Short & Tofel, 2010). Thus, governments have encouraged companies to set up self-regulation structures to minimize budgets and to maximize the effect of regulations (e.g., Langevoort, 2002; Lenox & Nash, 2003; Lobel, 2005).

Three external pressures have made companies consider adopting self-regulation systems. In particular, the efforts of governments have been fruitful. For example, the United States Sentencing Commission published the Federal Sentencing Guidelines for Organizations (FSGO) in 1991(United States sentencing commission, 2018). Judges use these guidelines to determine penalties depending on whether or not organizations have robust internal compliance programs. When companies have effective internal compliance programs, their fines can be reduced by up to 95%. In contrast, companies that do not have effective compliance programs can be sentenced fines by up to 400% (Tyler, Dienhart, & Thomas, 2008). Responding to this carrot and stick policy of the government, many companies have adopted compliance programs. Center for Business Ethics (1992), using a sample of Fortune 500 industries and Fortune 500 service organizations, reported that 93% of companies had codes of ethics, 53% had ethics training programs, and 25% had ethics committees.

Compliance literature has conceptualized compliance programs as “formal control systems that aim to create predictability in employee behavior and correspondence between specific employee behaviors and more general organizational goals and expectation” (Weaver & Treviño, 1999, p. 317). Compliance programs include diverse elements to affect the everyday activities of employees as well as symbolic elements to show that a company is ethically managed.

However, formal compliance programs do not always lead to ethical business (Treviño & Brown, 2004). Neo-institutionalism theorists have claimed that the decoupling between employee behavior and compliance programs occurs because compliance programs cannot affect the daily activities of employees (MacLean & Behnam, 2010; Short & Tofel, 2010). They suspect that companies establish compliance programs only to obtain external legitimacy. MacLean & Behnam’s (2010) research demonstrated that the sales misconduct of Acme Insurance Company was originated by the lack of internal legitimacy of compliance programs, focusing on giving symbolic images to its external audience and not paying attention to how to encourage the ethical behavior of employees. Similarly, Enron adopted various formal compliance programs including codes of ethics, but the ethics programs were not internalized by employees. Therefore, compliance programs did not prevent ethical misconduct (Short & Tofel, 2010).

The 2004 amendments of FSGO called for substantial organizational culture change to support the ethical behavior of employees, not symbolic actions (McWhorter & Fort, 2006). Ethical business culture is “a subset of organizational culture and represents the interplay among the ethics-related formal (e.g., rules and policies, performance

management systems) and informal (e.g., norms, language, rituals) organizational systems that influence employee ethical and unethical behavior" (Trevino, Den Nieuwenboer, & Kish-Gephart, 2014, p. 641). In addition, according to Kaptein (2009), the ethical culture of organizations can be measured by employees' perception of the extent to which organizations show clear moral expectations and outcomes, and to which the organizations support employees to encourage ethical behavior or to prevent unethical behavior. For example, organizations having ethical business culture can help employees through open communication based on trust when employees face an ethical dilemma. To build ethical business cultures, companies should not only establish formal systems to obtain external legitimacy but also make employees perceive that their organizations provide favorable supports to encourage ethical behavior (Ardichvili & Jondle, 2009; Treviño, Weaver, Gibson, & Toffler, 1999).

Adopting compliance programs does not guarantee that an effective ethical business culture will be created. However, establishing compliance programs is the first step towards building ethical business culture, and compliance programs facilitate ethical business culture when each element of the compliance program plays its distinct role (Kaptein, 2009; Wood & Rimmer, 2003).

Elements of Compliance Programs

Compliance literature has identified codes of ethics, ethics training, and whistleblowing as core elements of compliance programs (Kaptein, 2015; Stöber et al., 2018; Weber & Wasieleski, 2013). Although the roles of the three elements are not totally different in fostering ethical behavior, it is widely accepted that each element has its role (Chen & Soltes, 2018; Kaptein, 2015). Codes of ethics provide behavioral

guidelines aligned with internal policies and external regulations, ethics training provides opportunities for employees to understand what codes of ethics mean and how to apply ethics codes to daily activities, and whistleblowing plays a role in detecting employees' wrongdoings (Chen & Soltes, 2018; Stöber et al., 2019). According to Ruiz, Martinez, Rodrigo, & Diaz (2015), unethical behavior significantly decreases when the three elements are combined, although each element can help reduce unethical behavior.

Codes of Ethics (Ethics Codes)

Codes of ethics are conceptualized as "a distinct and formal document containing a set of prescriptions developed by and for a company to guide present and future behavior on multiple issues of at least its managers and employees toward one another, the company, external stakeholders and/or society in general" (Kaptein & Schwartz, 2008, p. 113). Compliance literature has described the importance of ethics codes such as "core element" (Beeri, Dayan, Vigoda-Gadot, & Werner, 2013), "critical part" (Singh, 2006), "the first step in creating an ethical culture" (Wood & Rimmer, 2003), and "the easiest and cheapest type of effort to foster, or at least signal, ethical intentions" (Weaver, Treviño, & Cochran, 1999).

Codes of ethics provide guidelines to help employees be aware of ethical issues and decide ethically (Beeri et al., 2013; Feldheim & Wang, 2003). Ethical decision-making seems to be easy since individuals do the right thing, or they do not do the wrong thing (Fichter, 2018). However, the reality of ethical decision-making is complicated because it should solve conflicts between the right things (Treviño & Brown, 2004). Sims (1992) also stated that "standards for what constitutes ethical behavior lie in a grey zone where clear-cut right versus wrong answers may not always exist" (p. 506). By reviewing

business cases, Schwartz (2001) argued that codes of ethics are more helpful when employees face grey issues than black or white issues including fraud or theft. In addition, codes of ethics tend to standardize employees' behavior regardless of individual differences providing expected ethical behavior (Weaver, Treviño, & Cochran, 1999). Previous research has demonstrated that organizational formalization, "the extent to which formal rules and procedures are used in the organization" (Zeffane, 1989, p. 328), positively affects the ethical behavior of employees (Eva, Prajogo, & Cooper, 2017; Ferrell & Skinner, 1988).

Codes of ethics have a long history, compared with other elements of compliance programs, and much conceptual and empirical research has been conducted (McLeod, Payne, & Evert, 2016). However, the results of empirical research on the effectiveness of ethics codes are mixed: "35% of the studies showed that codes were effective, 16% demonstrated that the relationship was weak, 33% showed that there was no significant relationship, and 14% presented mixed results. Only one study found that business codes could be counterproductive" (Kaptein & Schwartz, 2008, p.113). Kaptein and Schwartz (2008) explained that mixed results might not be due to the characteristics of codes of ethics per se but are the result of the lack of clear definitions or the use of inappropriate research methods. Recent studies tended to show a positive relationship between codes of ethics and ethical behavior (e.g., Kaptein, 2015; Ruiz, Martinez, Rodrigo, & Diaz, 2015; Stöber et al., 2018).

Research on codes of ethics has emphasized how to increase the effectiveness of ethics codes. First, increasing awareness of ethics codes is needed to increase the effectiveness of ethics codes. Pointing out that many employees cannot recall the

contents of the ethics codes when they are asked, Schwartz (2001) demonstrated that the main reasons of unethical behavior are that employees do not know the codes, do not perceive ethical issues, and forget the codes. Although most companies which adopt compliance programs evaluate the awareness of ethics codes through written tests or signatures that employees put on formal documents to express that they know codes of ethics, the test results and the signatures do not mean that employees know what the codes of ethics are or how to apply them to daily practice (Chen & Soltes, 2018). The existence of ethics codes in organizations, even when they are well developed, is not useful if employees do not utilize them in daily practice. As a result, many compliance scholars have claimed that the effectiveness of ethics codes can be increased when the codes of ethics are combined with other compliance programs, in particular, ethics training to address the awareness issue of ethics codes (Chen & Soltes, 2018; Hofeditz, Nienaber, Dysvik, & Schewe, 2017; Ruiz et al., 2015; Schwartz, 2001).

Second, the more specific and tailored codes of ethics are, the more effective they become. Employees have difficulties in applying codes of ethics to their daily activities since codes of ethics do not provide clear guidance on how to cope with ethical issues (Kaptein & Schwartz, 2008). Indeed, given that each department in the company can face different ethical issues, it is certain that company-wide codes of ethics are vague and ambiguous (Wood & Rimmer, 2003). However, the result of Schwartz's (2001) research showed that clearly established codes do not directly reduce unethical behavior. Thus, it is essential that companies provide employees with opportunities for more interaction with real cases (Warren et al., 2014). Third, a recipient-centric design is needed. Stöber et al. (2019) claimed that to increase the effectiveness of ethics codes, the design of the

codes is more important than the contents of the codes. Their empirical findings showed that when they changed the design elements of the codes into positive pictorial illustrations, instead of emphasizing sanctions, employees are more likely to accept codes of ethics as a useful tool to help their ethical decisions.

Ethics Training

Ethics training is regarded as the most costly investment among compliance programs, considering not only explicit costs but also business hours that employees spend in training sessions (Chen & Soltes, 2018). However, most compliance scholars have acknowledged that ethics training has the most substantial impact on ethical behavior (Ruiz et al., 2015). The amended FSGO in 2004 also recommended that all employees, including high-level employees, should take ethics training, emphasizing that ethics training is a critical approach to building ethical business cultures (McWhorter & Fort, 2006). Previous empirical research has shown that ethics training positively affects ethical behavior (e.g., Jones, 2009; Kaptein, 2015; Warren et al., 2014; Weber, 2015). Although ethics training is the most effective method to encourage the ethical behavior of employees, it will be useless if established codes of ethics do not exist (Singh, 2011). Thus, in the process of establishing compliance programs, the best sequencing for adopting ethics training is after setting up codes of ethics (Kaptein, 2015). Ethical training includes a variety of activities that can be used to create ethical business culture, such as formal classroom training, CEO messages, and ethics newsletters (Weber, 2007).

Ethics training has four fundamental purposes. The first purpose of ethics training is to increase awareness of ethics codes. As Schwartz (2001) stated, the lack of awareness of ethics codes is an essential reason why employees commit ethical misconduct.

According to Ruiz and colleagues (2015), employees tend to forget codes of ethics because the codes are static formal documents, even when they are read several times. Continuous communications with employees about codes of ethics through multiple channels can help employees remember codes of ethics. Second, ethics training develops the abilities of employees to apply codes of ethics to their practice. Warren et al. (2014) stated that ethics training could compensate for vague codes of ethics. Ethics training provides opportunities for employees not only to understand the letter of the codes but also the spirit of the codes (Shaw & Whitney, 2016). As a result, ethics training can increase the ethical sensitivity of employees in ambiguous situations and enhance the ability to ethically deal with ethical dilemmas.

The third purpose of ethics training is to harmonize employees' values with organizational values (Ruiz et al., 2015; Warren et al., 2014). Individuals make decisions based on their values (Schwartz, 2001). If personal values are not congruent with organizational values, their decisions can be unethical from the perspective of organizations. Therefore, the person-organization value congruence is essential in business ethics. Although, in general, personal values are considered unchangeable, Brown and Treviño (2009) demonstrated that personal values could be adjusted by external factors such as leadership in the workplace. Suar and Khuntia (2010) showed that value congruence through socialization tactics including formal training enforces employees' ethical behavior. Dhar (2015) also empirically demonstrated that employees in hotels, who accept organizational values through employee training, are more likely to show high service quality. The person-organization value congruence has been

researched as a positive predictor of extra-role behaviors as well as ethical behavior (Peng, Pandey, & Pandey, 2015).

The final purpose of ethics training is to persuade employees to have a positive perception of compliance programs. Schwartz (2001) stated that the fear of sanctions is one of the main reasons why employees follow the codes of ethics. Employees are likely to follow only clearly stated behavior in codes of ethics because they are not sure whether or not their ethical decisions violate codes of ethics (Gagne et al., 2000). Fear in the workplace tends to make employees remain silent (Kish-Gephart, Detert, Treviño, & Edmondson, 2009). That is, employees who feel fear in the workplace tend not to share their ideas and opinions, which companies depend on for their growth. Although fear can contribute to reducing unethical behavior of employees in the short term, companies need to encourage employees to have different motivations, instead of fear, in following ethical standards. Thus, organizational change literature has considered that fear relief is a critical factor for the success of organizational change (Bovey & Hede, 2001). Vakola and Nikolaou (2005) claimed that emotions are linked to employees' attitudes toward change and that training can mitigate employees' stress and fear caused by the change. Kaptein (2015) demonstrated that ethics training provides opportunities for employees to have positive attitudes to compliance programs. He explained that discussing ethical dilemmas in the ethics training sessions helps employees realize that the main goal of compliance programs is not punishing them but supporting them to prevent ethical misconduct.

To achieve these four purposes, ethics training should consider training contents, types, and frequency. Ruiz et al. (2015) argued that ethics training contents should

include organizational values and culture as well as codes of ethics. McWhorter and Fort (2006) emphasized that ethics training is not injecting correct answers that companies come up with into employees but guiding employees to find better answers based on codes of ethics. Indeed, compliance literature has emphasized the importance of effective training delivery format and frequency (Watts et al., 2017). The final goal of ethics training is not that employees know the codes of ethics and organizational values, but that employees ethically behave with personal ethical standards aligned with organizational values and codes of ethics. Participants' interactions are an important factor to obtain such learning outcomes (Morris & Wood, 2011; Slavin, 1996). Antes and colleagues (2009) in their meta-analysis of ethics training literature concluded that ethics training is especially beneficial to participants when the training is provided in a face-to-face format with stand-alone courses. In contrast to research suggestions, Weber (2015) reported that 81% of organizations focused on computer-based methods that do not allow interactive learning strategies such as group discussion and role-playing. Regarding frequency, he reported that only 37% of organizations offered ethics training annually and employees spent less than one hour in ethics training in over half of organizations.

Whistleblowing

Near and Miceli (1985) defined whistleblowing as "the disclosure by organization members (former or current) of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action" (p.4). Whistle-blowers may use internal channels such as ethics hotlines and compliance officers; or external channels such as media; or both (Mesmer-Magnus & Viswesvaran, 2005).

Whistleblowing is, on the one hand, prosocial behavior to promote organizational welfare. On the other hand, it needs self-sacrifice and taking the risk of retaliation (Dozier & Miceli, 1985). Engdahl (2014) claimed that whistleblowing is an important factor to assess whether compliance programs work because if employees do not believe that organizational ethics systems and culture protect them from threats after whistle-blowing, they cannot blow the whistle. Generally, business ethics literature has acknowledged that the effect of whistleblowing on detecting and preventing misconduct is strong (Ferrell, Fraedrich, & Ferrell, 2017; Stöber et al., 2018).

Early research on whistleblowing focused on finding personal and situational factors to encourage employees to engage in whistleblowing. Previous research demonstrated that demographics including gender, age, education, and tenure (Sims & Keenan, 1998); personal traits such as morality (Bouville, 2008); and attitudes such as job satisfaction (Viswesvaran & Deshpande, 1996) are important personal predictors of whistleblowing. Organizational support, ethical leadership, organizational culture, value congruence, and organizational justice have been examined as situational factors influencing whistleblowing (Near & Miceli, 1996). Recent research on whistleblowing has included not only personal and situational factors but also more diverse perspectives such as person-situation interactionalist view and emotional reactions to wrongdoing (e.g., Henik, 2008; Vadera, Aguilera, & Caza, 2009).

Compliance Approaches

Various disciplines including business ethics, organizational behavior, criminology, social economics, and moral philosophy have researched rule-following behavior (Borry et al., 2018). Previous research has widely accepted that there are two

competing approaches to encourage employees to follow the rules although the used terms are different: legal versus integrity (Paine, 1994), compliance-oriented versus value-oriented (Weaver & Treviño, 1999), coercive control versus enabling control (Adler & Borys, 1996), extrinsic versus intrinsic motivation (Hofeditz et al., 2017), command-and-control versus self-regulation (Tyler & Blader, 2005), and deterrence-based versus normative-based (Murphy, Bradford, & Jackson, 2016).

In each pair, the first approach is based on rational choice theory (Hofeditz et al., 2017; Murphy et al., 2016). According to the theory, employees as rational actors compare the cost of noncompliance such as sanctions with the benefits of compliance such as rewards and reputation. If the cost outweighs the benefit, employees will comply with the rules. This rational choice perspective focuses on how to make employees perceive that the cost of noncompliance is high (Paternoster & Simpson, 1996). Noncompliance behavior tends to be deterred when the risk of detection is high and the severity of the sanction is high (Becker, 1968). When people perceive that their unethical behavior can be easily detected, and when the punishment is severe, they do not conduct unethical behavior. Generally, the risk of detection is more effective than the severity of sanctions in reducing misconduct (Nagin, 2013). Employees tend to perceive that the risk of detection is relatively high when they see someone who is sanctioned because of misconduct (Murphy et al., 2016). As a result, in this perspective, the main roles of a company are to provide specific and tailored codes of ethics that employees should abide by, to monitor whether employees follow the rules and policies, and to announce regularly the results about how many employees violate rules, and what punishment they receive in order to signal that your misconduct can be detected (Weaver & Treviño,

1999). In such organizational climates, employees will follow the rules because of the fear of punishments, a kind of extrinsic motivation. According to the self-determination theory (Ryan & Deci, 2000), intrinsic motivation can be undermined when extrinsic motivation is enhanced by social and environmental factors. Thus, this approach is not likely to induce voluntary ethical decisions of employees. Furthermore, Fida et al. (2015) pointed out that negative emotions such as fear, activated by environmental factors, can lead to moral disengagement.

In contrast, the second approach in each pair relies on social identity theory (Murphy et al., 2016; Weaver & Treviño, 1999). Social identity theory was introduced to explain how people conceptualize themselves in a group (van Knippenberg, 2011). Tajifel and Turner (2004) defined social identification as a process for people to adopt prototypes that members share in their group. This approach based on the social identity theory assumes that if employees perceive that organizational values are attractive, they can internalize organizational values, which leads to ethical behavior that employees and organizations commonly desire. Indeed, perceived high social identity could mitigate employees' fear or the stress of rule violation because their ethical standards are aligned with organizational ones (Mael & Tetrick, 1992). In this approach, the roles of companies are to emphasize the importance of organizational values related to ethical standards, to communicate with employees about the values, and to advise about ethical dilemmas (Weaver & Treviño, 1999). Tyler and Blader (2005) claimed that value-centered communications help organizations obtain the internal legitimacy of compliance programs from their employees. In the work environment that this approach creates, employees may actively deal with ethical dilemmas without fear of sanctions.

Weaver and Treviño (1999) mentioned that two approaches are not mutually exclusive and need to be adopted depending on organizational situations. However, empirical research has demonstrated that companies need to pay more attention to the value-oriented approach than the compliance-oriented approach. Weaver and Treviño's (1999) research showed that a value-oriented approach is more effective than a compliance-oriented approach. Tyler and Blader (2005) also demonstrated that self-regulation is more effective than command-and-control in reducing rule-breaking behavior. Trullen and Stevenson (2006) argued that the reason why compliance programs are considered window dressing is that companies still focus on only compliance-oriented approaches, which do not provide intrinsic motivation and do not obtain internal legitimacy from their employees. In particular, Warren and colleagues (2014) emphasized that employees can acknowledge companies' compliance approaches through ethics training. They demonstrated that when employees have opportunities to align underlining values of ethics codes and personal values as well as to review specific rules and sanctions through ethics training, companies increase the effectiveness of compliance programs using a sample of bank employees.

Employee Creativity

Definition of Creativity

Creativity has been defined from various perspectives. In particular, whether creativity is an outcome or a mental process leading to an outcome is still an ongoing issue. Empirical research usually conceptualizes creativity as an outcome because the definition focusing on an outcome helps researchers collect relatively quantifiable and objective data (Amabile, 1996). In this definition, an outcome includes not only products

but also services, processes, and work methods (Shalley, Zhou, & Oldham, 2004). However, this definition of creativity can be confused with that of innovation, given that creativity focuses on idea generation whereas innovation is the concept including both idea creation and idea implementation (Anderson et al., 2014). In contrast to empirical research, research in psychology usually conceptualizes creativity as novelty, fluency, flexibility, and originality of ideas, emphasizing a mental process of creativity (e.g., Benedek, Panzierer, Jauk, & Neubauer, 2017; Davis, 2009). This study applies the following definition: Creativity is "the production of novel and useful ideas in any domain" (Amabile et al., 1996, p. 1155) because this study is interested in human cognition and emotions.

Three Perspectives of Employee Creativity

Creativity literature has explored the factors to influence creativity with three major perspectives: personal, contextual, and interactionist views. Early creativity scholars focused on personal characteristics including personality, traits, skills, knowledge, and motivation, as factors to influence individual creativity (Joo, McLean, & Yang, 2013). The seminal work of personal characteristics' view is the componential theory of creativity by Amabile (1998). In this theory, she claimed that there are three crucial personal elements to affect creativity: domain-relevant skill (e.g., technical and procedural knowledge), creativity-relevant skill, and task motivation. When individuals have three elements at the same time in a particular area, they are more likely to show high creativity in that area. Among these elements, Liu, Jiang, Shalley, Keem, and Zhou (2016) emphasized the importance of intrinsic motivation using meta-analysis. They explained that employees show high creativity when they feel that their work is

interesting, valuable, and meaningful by itself. Higgins, Qualls, and Couger (1992) claimed that emotions play an important role in employee creativity explaining that emotions connected to tasks are closely associated with intrinsic motivation.

Scholars who have a contextual view emphasize that individual creativity cannot help being affected by work environments because individuals should show their creativity in the workplace regardless of the level of personal innate creativity (Joo et al., 2013). Amabile (1996) examined various work environment factors to promote creativity: organizational support, supervisory leadership, available slack, and autonomy. She also found that rewards could inhibit employee creativity (Amabile, 1998). In addition, the effects of leadership types including transformational leadership and ethical leadership on employee creativity have been a continuously important topic in creativity research (e.g., Hoch, 2013; Hughes et al., 2018).

Creativity theorists have focused on the interactions between personal and contextual elements since Woodman and Schoenfeldt's (1990) interactionalist model of creative behavior was introduced. For example, Shalley et al. (2004) suggested various interactions between personal variables such as personality and cognitive style; and contextual variables such as job complexity, relationship with coworkers, reward, evaluation, and so on. Oldham and Cummings (1996) examined the interactions between personality, job complexity, and supervisory style, using HR managers as a sample. The results of those studies demonstrated that the effect of personal characteristics on creativity is different depending on contextual variables.

Theoretical Framework

This study applied cognitive appraisal theory (Lazarus, 1991) and affective events theory (Weiss & Cropanzano, 1996) to explore the connection among compliance programs, ethical behavior, and employee creativity. According to Choi and colleagues (2011), exploring both emotional and cognitive processes is required to understand human behavior holistically since employee behavior is influenced by instantly arousing emotions that can often be irrational as well as cognition based on human rationality.

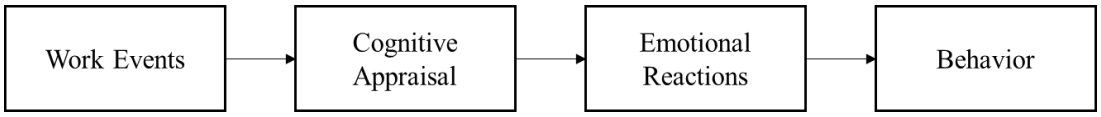
As shown in Figures 2 and 3, work events are triggers to elicit cognition and emotions that drive behavior in these two theoretical frameworks (Neumann, 2017; Weiss & Cropanzano, 1996). Work events refer to "the discrete events encountered by employees at work" (Luo & Chea, 2018, p. 121). For example, previous research considered work events as physical work environment (Zoghbi-Manrique-de-Lara & Sharifiatashgah, 2020), supervisor counterproductive work behavior (Reynolds Kueny, Frankca, Shoss, Headrick, & Erb, 2020), destructive leadership (Hou, 2017), and organizational change implementation procedures (Paterson & Cary, 2002).

Cognitive appraisal theory (Lazarus, 1991) emphasizes that although individuals face the same work events, they may behave differently depending on their cognitive evaluations of the events. This theory posits that different emotional reactions are generated by not an event itself, but individual cognitive evaluations of the event and the different emotional reactions lead to different behavior (Neumann, 2017). The appraisals are associated with the individual evaluation of how a work event affects personal well-being based on personal needs, goals, knowledge, and abilities (Luo & Chea, 2018). In other words, when employees perceive that the event will help achieve their goals, the

evaluation will create positive emotions such as joy and hope. The positive emotions will encourage individuals to show favorable behaviors toward the event. Choi et al. (2011) demonstrated how employees participate in innovation implementation drawing on cognitive appraisal theory. According to their conceptual model, work events such as contextual factors influence cognitive appraisals measured by perceived usefulness of innovation and perceived ease of use. The appraisals generate positive or negative emotions, and while positive emotions are positively related to participation in the innovation process, negative emotions are negatively associated with participation in the innovation process.

Figure 2

Cognitive Appraisal Theory

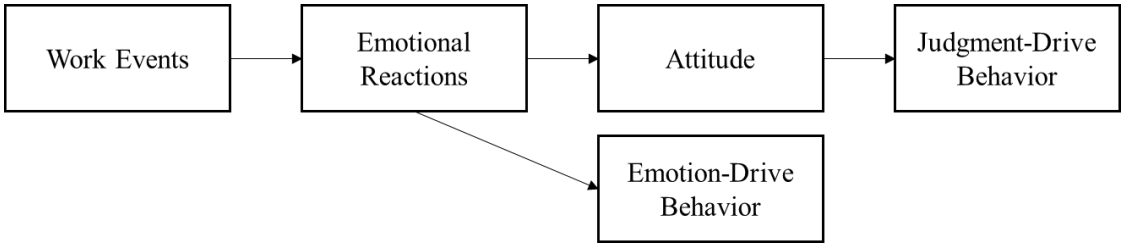


In contrast to cognitive appraisal theory, affective events theory focuses on the change of emotional experiences affected by work events to explain the individual differences in behavior (Cropanzano, Dasborough, & Weiss, 2017). According to the theoretical framework of affective events theory (Weiss & Cropanzano, 1996), work events influence emotional reactions. The emotions often make people immediately emotionally react to the events or affect attitudes (i.e., evaluative judgment) which lead to judgment-drive behavior. This theory emphasizes that although there are two paths through which events connect behaviors (i.e., emotion-drive behavior and judgment-drive behavior), these behaviors are influenced by emotional reactions to events (Zoghbi-Manrique-de-Lara & Sharifiatashgah, 2020). Individuals may create different emotional reactions based on affective dispositions (Weiss & Cropanzano, 1996). For example,

individuals with negative affectivity are likely to negatively react to events (Reynolds Kueny et al., 2020). Along with affective disposition, Weiss and Cropanzano (1996) maintained that work environments can influence individuals' emotional reactions. Many previous studies have applied this theory to explore an underlying motivator of human behavior (Luo & Chea, 2018). For example, Wegge, Van Dick, Fisher, West, and Dawson (2006) demonstrated that work environments of call centers, such as autonomy, arouse emotions that affected job satisfaction. In general, when employees feel negative emotions to work events, the emotion tends to create negative attitudes and counter-productive behavior and when employees feel positive emotions to work events, the emotions lead to positive attitudes and voluntary behavior such as creative behavior (Alam & Singh, 2019).

Figure 3

Affective Events Theory

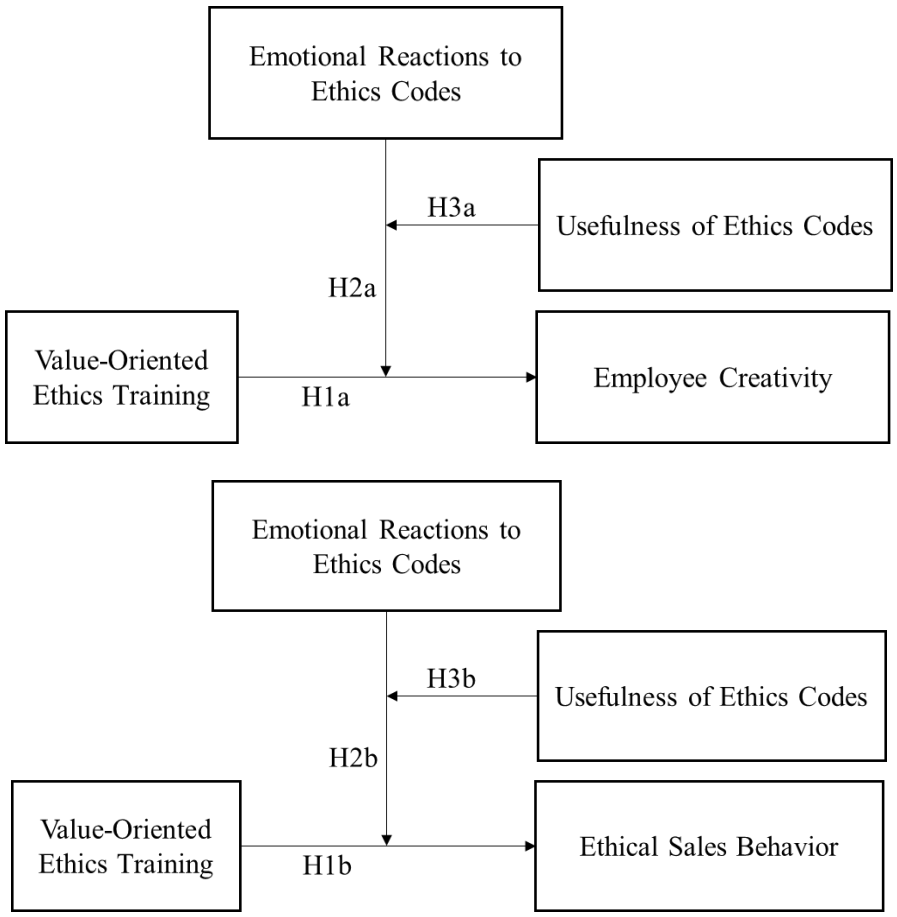


Conceptual Model and Hypotheses

Based on the review of literature, this study proposes the conceptual model and hypotheses to explain the relationship among ethics training, ethical behavior, and employee creativity drawing on cognitive appraisal theory and affective events theory. Figure 4 shows the conceptual model of this study.

Figure 4

Conceptual Model



Ethics Training, Employee Creativity, and Ethical Behavior

Weaver and Treviño (1999) maintained that there are two types of approaches to increase the ethical behavior of employees. While compliance-oriented ethics training focuses on forcing employees to remember severe sanctions as the results of violations, value-oriented ethics training emphasizes that the aim of ethics training is not only to deliver rules that employees should follow but also to persuade employees to embrace the ethics codes by discussing the meaning and importance of ethics codes (Warren et al., 2014).

To achieve the aims, value-oriented ethics training increases the understanding of the underlining thoughts on which the ethics codes are based and develops the ability of employees to apply ethics codes to practice (Shaw & Whitney, 2016). Therefore, value-

oriented ethics training will help employees increase confidence in the ethical decision-making on previously untapped dilemmas that they face when they create and implement new ideas. Asif, Miao, Jameel, Manzoor, and Hussain (2020) maintained that work environment that promotes autonomy and self-accountability based on ethical norms can be considered a potential predictor of employee creativity.

In addition to increasing the understanding of the ethics codes, value-oriented ethics training provides opportunities to harmonize employees' values with organizational values that ethics codes rely on, through open communication based on mutual trust (Ruiz et al., 2015; Warren et al., 2014). According to Younas et al. (2020), two-way communication shapes an environment of mutual trust which fosters employees' imagination. Kancharla and Dadhich (2020) empirically demonstrated that ethics training is positively associated with workplace behavior including job satisfaction, employee commitment, and intention to stay, creating work environment of open communication, trust, and transparency. Based on the evidence reviewed above, this study predicts that ethics training, particularly value-oriented ethics training, will influence both employee creativity and ethical behavior positively. Therefore, the following hypotheses are proposed:

Hypothesis 1a. Value-oriented ethics training is positively associated with employee creativity.

Hypothesis 1b. Value-oriented ethics training is positively associated with ethical behavior.

Moderation of Emotional Reactions to Ethics codes

Codes of ethics and ethics training play different roles in promoting the ethical behavior of employees (Chen & Soltes, 2018). While codes of ethics present formal and written ethical standards that companies encourage employees to comply with, ethics training provides employees with opportunities to understand the meaning and intentions of ethics codes and to discuss how to apply the codes to their daily activities (Stöber et al., 2019). Adopting codes of ethics is the first step in establishing compliance programs and then ethics training is conducted (Singh, 2011). Affective events theory demonstrates that codes of ethics, as a work event, are likely to affect employees' emotions and employee behaviors (i.e., employee creativity and ethical behavior). Thus, this study predicts that the relationship between value-oriented ethics training and employee behaviors will be influenced by the levels of emotional reactions to ethics codes.

Furthermore, the findings of previous research have demonstrated that generally speaking, positive emotions are a good predictor of positive behavior (Alam & Singh, 2019). Creative behavior will be generated depending on the emotions of employees. There have been many studies to explore the relationship between emotions and creativity. The most popular view is that positive emotions enhance creativity. Individuals broaden their ideas feeling positive emotions such as psychological safety, whereas negative emotions hinder creativity because individuals hesitate to expand their minds (Kaufman, 2015). Lin, Tsai, Lin, and Chen (2014) stated that positive emotions enhance creative performance based on cognitive flexibility. Vulpe and Damoiu (2011) also maintained that positive emotions influence creative thinking using a sample of students. Regarding ethical behavior, Dietz and Kleinlogel (2014) investigated the effects

of positive emotions such as empathy on business ethics in difficult times. They concluded that managers with positive emotions tend to make ethical decisions to increase the well-being of both organization and other stakeholders. Based on the above arguments, this research proposes the following hypotheses:

Hypothesis 2a. There will be a significant moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and employee creativity. When emotional reactions to ethics codes are more positive, the relationship between value-oriented ethics training and ethical creativity will be stronger.

Hypothesis 2b. There will be a significant moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and ethical behavior. When emotional reactions to ethics codes are more positive, the relationship between value-oriented ethics training and ethical behavior will be stronger.

Moderated Moderation of the Cognitive Reactions to Ethics Codes

Cognitive appraisal theory and affective events theory reveal that employee creativity and ethical behavior will be associated with cognitive reactions to ethics codes as well as emotional reactions to ethics codes. In addition, given that recent research has advocated that cognition and emotions affect each other rather than that the relationship between cognition and emotions is uni-directional (Duncan & Barrett, 2007), the interaction between cognition and emotion will play an important role in the relationship between value-oriented ethics codes and employee behaviors.

Regarding ethical behavior, Schwartz (2001) maintained that the lack of awareness of ethics codes is the first and the most critical reason why employees commit unethical behavior. Wotruba, Chonko, and Loe (2001) demonstrated that employees are more likely to utilize ethics codes to decide whether or not their behavior is ethical when they perceive that ethics codes are useful by using a sample of executives in member companies of the Direct Selling Association (DSA). Thus, employees' ethical behavior will be different depending on positive cognitive appraisals of ethics codes.

In terms of employee creativity, codes of ethics may hinder employees' creativity because they do not support autonomy but force employees to follow established standards (Liu, Chen, & Yao, 2011). However, cognitive evaluation theory (CET) emphasizes that the level of intrinsic motivation can be different depending on how individuals perceive contextual factors. CET posits that "all contextual factors have two aspects: informational and controlling. The relative salience of these aspects determines whether a contextual factor has positive or negative effects on intrinsic motivation" (Shalley et al., 2004, p. 935). For example, if employees think about codes of ethics as informational factors (i.e., codes of ethics support the ethical decision) rather than controlling factors (i.e., codes of ethics control individual behavior), they will not impede employees' intrinsic motivation for creativity. Rather, employees can think about codes of ethics as a document to provide the ethically acceptable boundaries of useful and novel ideas (Gino & Ariely, 2012). Kirkhaug (2009) maintained that rules can positively be correlated with employee creativity when employees believe that the rules support their daily work. These arguments imply that the positive cognitive appraisals of codes of ethics will affect the moderating effects of emotional reactions to ethics codes on the

relationship between value-oriented ethics training and employee behaviors. Therefore, this study proposes the following hypotheses:

Hypothesis 3a. There will be a three-way interaction among value-oriented ethics training, emotional reactions to ethics codes, and cognitive reactions to ethics codes in predicting employee creativity. When cognitive reactions to ethics codes and emotional reactions to ethics codes are high, the positive relationship between value-oriented ethics training and employee creativity will be strong.

Hypothesis 3b. There will be a three-way interaction among value-oriented ethics training, emotional reactions to ethics codes, and cognitive reactions to ethics codes in predicting ethical behavior. When cognitive reactions to ethics codes and emotional reactions to ethics codes are high, the positive relationship between value-oriented ethics training and ethical behavior will be strong.

Summary

In this chapter, I reviewed the literature on compliance programs and employee creativity to build a conceptual model which demonstrates the relationship among ethics training, cognitive and emotional reactions to ethics codes, ethical behavior, and employee creativity drawing on cognitive appraisal theory and affective events theory. This literature review obtained three findings. First, value-oriented ethics training will be able to influence employee creativity as well as ethical behavior, helping employees make ethical decisions on previously untapped ethical dilemmas and shaping a work environment of open communication, trust, and transparency. Second, codes of ethics, as a work event, will be associated with the relationship between value-oriented ethics training, ethical behavior, and employee creativity by impacting cognition and emotions.

Third, positive emotional reactions to ethics codes will boost the relationship between value-oriented ethics training and employee behaviors. Along with emotional reactions to ethics codes, cognitive reactions to ethics codes will also influence the relationship between value-oriented ethics codes, ethical behavior, and employee creativity. Positive cognition (i.e., codes of ethics support the ethical decision) will positively enhance the relationship.

CHAPTER 3

METHOD

This chapter describes the research methods employed in this study to investigate the relationship between ethics training, cognitive and emotional responses to ethics codes, ethical behavior, and employee creativity. The current research applied a survey based-research design utilizing previously validated instruments. While sales representatives participated in the survey to answer questions related to the independent variable (i.e., value-oriented ethics training), moderating variables (i.e., emotional and cognitive reactions to ethics codes), and controlling variables, the managers/peers of the sales representatives participated in the survey to answer questions about the sales representatives' level according to the dependent variables (i.e., employee creativity and ethical behavior). In the remaining section of this chapter, the following issues are discussed: target population and sample, data collection procedure, the demographics of the participants, instruments, and data analysis procedure.

Target Population and Sample

This research was conducted in the context of pharmaceutical companies located in South Korea. In particular, this study selected sales representatives as the target population because although there are many jobs within a pharmaceutical company, such as finance, clinical trials, marketing, and quality assurance, sales representatives are exposed to greater ethical pressures than others (Román & Munuera, 2005). In other words, sales representatives are likely to be vulnerable to the temptation of unethical behavior because they should not only meet sales targets but also work in unsupervised settings (Román & Munuera, 2005). At the same time, sales representatives should be

creative to perform their roles including finding new customers, identifying customer needs, and finding solutions (Groza, Locander, & Howlett, 2016). Furthermore, samples were limited to sales representatives who have participated in ethics training once or more in the previous two years because Warren et al. (2014) stated that the effects of formal ethics training could last two years after training. Thus, sales representatives, working in pharmaceutical companies that have codes of ethics and provide formal ethics training, were selected as appropriate samples to test the relationship between ethics training, cognitive and emotional responses to ethics codes, ethical behavior, and employee creativity.

Data Collection Procedure

Prior to collecting data, I requested the review of this study by the Institutional Review Board (IRB) of the University of Minnesota in order to assure that this research project follows adequate steps to protect the rights and welfare of human participants. As a result, the IRB determined that this study meets the criteria for exemption from IRB review (see Appendix A). After obtaining the IRB exemption determination, I contacted sales managers and sales representatives by using my personal network to ask them to participate in this research and to invite potential participants who meet the above-mentioned recruiting criteria.

An invitation web-page link (sites.google.com/umn.edu/youre-invitedpeermanageremail/home) was sent to managers/peers of sales representatives, explaining the purpose and significance of this research, potential benefits and risks associated with participation in the study. The invitation contained the link to the online survey site as well as the explanation of the survey. The managers/peers of sales

representatives were asked to answer the questionnaire about creativity and ethical behavior of sales representatives that they worked with. The managers/peers were also asked to provide the email addresses of sales representatives that they evaluated. A total of 47 managers/peers from twelve companies completed the survey and provided email addresses on an average of 3.6 sales representatives in the range from one to seven. In total, 170 email addresses of sales representatives were collected.

Once a manager/peer completed the survey, an invitation web-page link (sites.google.com/umn.edu/youreinvitedmremail/home) was sent to sales representatives that the managers/peers evaluated. Similar to the invitation web page for managers or peers, the invitation for sales representatives included information about the purpose and significance of this research, potential benefits and risks associated with participation in the study, and the link to the online survey site. Sales representatives were asked to answer the questionnaire about value-oriented ethics training, cognitive reactions to ethics codes, emotional reactions to ethics codes, age, rank, gender, tenure, and yearly ethics training duration. 141 sales representatives completed the survey. Twenty-three sales representatives did not complete the survey although they accessed the online survey site, and six sales representatives did not access the online survey site. Based on the sales representatives' email addresses that sales representatives and managers/peers provided, two different data sets were merged. Therefore, a total of 141 sales representatives and peer/manager dyad's responses were collected.

Demographics of the Participants

Table 1 shows the demographics of the study sample. The total number of males (n = 112, 79.4%) was about four times more than that of females (n = 29, 20.6%). Given

that the Korea Pharmaceutical and Bio-Pharma Manufacturers Association reported that the ratio of males to females, recruited from 2014 to 2018, was seven to three (Kim, 2021), the gender ratio imbalance of this data set may not distort the results of this study. In terms of age, about 64% of the sales representatives were between 31 and 40 years, followed by 41~ 50 years (n = 33, 23.4%). The smallest group was less than 30 years (n = 18, 12.8%). Regarding the rank of participants, while assistant manager (n = 39, 27.7%) and senior manager (n = 39, 27.7%) were the largest groups, the smallest group was general manager (n = 11, 7.8%). About 56% of the participants worked for over five years as sales representatives. In terms of yearly hours of ethics training, 4 ~ 8 hours group (n = 60, 42.6%) was the largest, followed by less than four hours (n = 42, 29.8%). 16.8% of the participants reported that they took ethics training for yearly more than 16 hours (n = 16).

Table 1

Demographics of the Study Sample

	Category	Frequency	Percentage
Gender	Male	112	79.4
	Female	29	20.6
Age	Less than 30 years	18	12.8
	31 – 35 years	44	31.2
	36 – 40 years	46	32.6
	41 – 50 years	33	23.4
Rank	Staff	31	22.0
	Assistant Manager	39	27.7
	Manager	21	14.9
	Senior Manager	39	27.7

	General Manager	11	7.8
Tenure	Less than 1 year	18	12.8
	1- 2 years	17	12.1
	3 - 5 years	27	19.2
	6- 10 years	32	22.7
	More than 11 years	47	33.3
Yearly Hours of Ethics Training	Less than 4 hours	42	29.8
	4 - 8 hours	60	42.6
	9 - 16 hours	22	15.6
	More than 16 hours	17	12.1

Note: $N = 141$

Instruments

This study used value-oriented ethics training as an independent variable, cognitive and emotional reactions to ethics codes as moderators, and ethical behavior and employee creativity as dependent variables. The study utilized instruments developed and validated by previous research. In addition, demographic variables (i.e., gender, age, rank, and tenure) and yearly hours of ethics training were used as control variables. Table 2 shows the instruments used in this study. The questionnaire items are provided in Appendix B.

Table 2

Research Instruments

	Instrument	Items	Authors
Independent variable	Value-oriented ethics training	5	Weaver and Treviño (1999)
Moderators	Usefulness of ethics codes	5	Wotruba et al. (2001)
	Emotional reactions to ethics codes	4	Choi et al. (2011)

Dependent variables	Ethical sales behavior	3	Román and Munuera (2005)
	Employee creativity	13	Zhou and George (2001)
Control variables	Tenure	5	
	Rank		
	Gender		
	Age		
	Yearly hours of ethics training		

The questionnaire items were translated through translation and back-translation procedures since there is not a Korean version of instruments except for employee creativity. Back translation has been used as a tool to ensure translation quality for over the past 50 years in survey research (Son, 2018). I, as a Korean fluent in English, translated the questionnaire from English into Korean. The translated Korean version of instruments was re-translated back into English by a Korean graduate student fluent in English, who had not seen the original English version. Once the back translation had been completed, back-translated items were compared with original English items to assure that the translated items are equivalent in meaning to the original ones. I modified the Korean version of the instruments based on the results of the comparison.

A pilot test was conducted with seven sales representatives and three managers or peers meeting the aforementioned sample selection criteria in order to check whether the instruction for survey participation was clear and whether the questionnaire items had readability issues. Based on feedback from participants, some words in the Korean version of questionnaire items were changed to improve the survey quality.

Value-Oriented Ethics Training

Value-oriented ethics training was measured by modified Weaver and Treviño's (1999) five items of value-based orientation. This scale asks respondents to rate "orientation of goals or activities of the ethics/compliance program/policies in place in

the organization" (Weaver & Treviño, 1999, p. 325). This study modified the items focusing on ethics training among compliance programs because this research investigated the effect of value-oriented ethics training on employee behavior. Sample items are: "our ethics training encourages employees to accept organizational values," "our ethics training supports employee goals and aspirations," and "our ethics training helps employees make an ethical decision." The Cronbach's alpha of Weaver and Treviño's (1997) scale was .87. In this study, the Cronbach's alpha of this scale was .901. Value-oriented ethics training items were rated on a 5-point Likert-type scale ranging from 1(strongly disagree) to 5 (strongly agree). The five items were treated as a single factor based on the result of the exploratory factor analysis.

Cognitive Reactions to Ethics Codes

This study used the usefulness of ethics codes developed by Wotruba et al. (2001) to measure the cognitive reactions of ethics codes. It is widely accepted that perceived usefulness is a good indicator to measure employees' cognitive appraisals (Venkatesh, Morris, Davis, & Davis, 2003). Wotruba and colleagues (2001) devised this measure to explore the relationship between the perceived usefulness of ethics codes and ethical behavior. This scale asks respondents to rate "how well the use of the ethics codes has aided the company, industry, salespeople and the respondent personally in being successful" (Wotruba et al., 2001, p. 64). Sample items are: "publicizing ethics codes helps my company," "publicizing codes of ethics helps the pharmaceutical industry," and "I have found that codes of ethics are very useful to me personally."

The Cronbach's alpha of this scale in the Wortruba et al.'s (2001) study was .83. In this study, the Cronbach's alpha of this scale was .904. The usefulness of ethics codes

was rated on a 5-point Likert-type scale ranging from 1(strongly disagree) to 5(strongly agree). The five items were treated as a single factor based on the result of the exploratory factor analysis.

Emotional Reactions to Ethics Codes

This study used emotion items developed by Choi et al. (2011) to measure emotional reactions to ethics codes. Choi and colleagues (2011) created positive and negative emotion items based on the circumplex model of emotion. Russell (1980) demonstrated that individual emotions can be classified with two dimensions (i.e., positive-negative and degree of activation) in his model. Many previous studies have applied the circumplex model to measure emotions (e.g., Madrid, Patterson, Birdi, Levia, & Kausel, 2014; Schei, 2013). Choi et al. (2011) selected four negative (i.e., disappointment, distress, sadness, and depression) and four positive emotions (i.e., delight, pleasure, happiness, and comfort) to explore the role of emotions on innovation in a large Korean insurance company. The Cronbach's alpha for positive and negative emotions was .95 and .93, respectively.

Among emotional reactions to ethics codes, this study focused on positive emotional reactions. Previous research has reported that negative emotions are associated with moral disengagement (Fida et al., 2015) and are antagonistic with creativity (Conner & Silvia, 2015). However, this study focused on positive emotions since the purpose of this research is to explore how emotional reactions to ethics codes increase employee creativity and ethical behavior relying on Dietz and Kleinlogel 's (2014) research on the effect of positive emotion on positive organizational ethics and Baas, De Dreu, and Nijstad's (2008)'s research on a meta-analysis of mood and creativity. Sample items are:

"when I think of ethics codes, I feel comfortable," and "when I think of ethics codes, I feel delighted." In this study, the Cronbach's alpha of this scale was .934. Emotion items were rated on a 7-point Likert-type scale ranging from 1(strongly disagree) to 7(strongly agree).

Ethical Behavior

This study utilized a three-item ethical sales behavior measure developed by Román and Munuera (2005) to measure the ethical behavior of sales representatives. Among diverse ethical behavior instruments, this study selected this scale because sales representatives working in pharmaceutical companies are the samples of this study. Initially, this scale was created to investigate key determinants and consequences of the ethical behavior of salespeople who mainly sell financial products. In this context, Román and Munuera (2005) defined ethical behavior as "fair and honest actions that enable the salespeople to foster a long-term relationship with customers based on customer satisfaction and trust" (p. 39). As Padgham (1995) pointed out that long-term relationship with customers is a key success factor of sales representatives working in pharmaceutical companies, this scale may be applied to the context of this study. In addition, previous research has used this measure to assess salespeople's ethical behavior in pharmaceutical companies (Sridhar & Lyngdoh, 2019) as well as bank industry (Alrubaiee, 2012) and insurance industry (Wu, 2017).

Sample items are: "if the sales representative is not sure a product is right for a customer, he/she will still apply pressure to get customers to buy," and "the sales representative lies about the availability of the product in order to make the sale." Following previous research's method (e.g., Alrubaiee, 2012; Román & Munuera, 2005),

all items were reversely coded because a high score indicates a greater degree of unethical sales behavior as the sample items demonstrate. The Cronbach's alpha of this scale in Román and Munuera's (2005) study was .78. In this study, the Cronbach's alpha of this scale was .894. Ethical sales behavior items were rated on a 7-point Likert-type scale ranging from 1(strongly disagree) to 7(strongly agree). In addition, this study conducted Within and Between Analysis (WABA) for ethical sales behavior to check the independency of the rater characteristics since some managers or peers evaluated more than one sales representative's ethical behaviors following O'Connor's (2004) approach. The results of E test ($E = 1.87$) and F test ($F = 10.20$) indicated that there is considerable heterogeneity within groups since variation within groups is significantly more than between groups (O'Connor, 2004).

Employee Creativity

Employee creativity was measured by a 13-item creativity instrument developed by Zhou and George (2001). According to Hughes and colleagues (2018), this instrument is the most commonly used creativity scale to assess employee creativity accounting for 37 percent of total creativity studies, followed by Tierney, Farmer, and Graen's (1999) scale (17%). In addition, Shin and Zhou (2003) created the Korean version of the Zhou and George's scale and validated it in the context of Korean companies using a sample of 290 employees and supervisors. Sample items are "suggest new ways to achieve goals or objectives," "come up with new and practical ideas to improve performance," and "suggest new ways to increase quality." The Cronbach's alphas of this scale in Zhou and George (2001) and Shin and Zhou (2003) were .96 and .95, respectively. In this study, the Cronbach's alpha of this scale was .972. Employee creativity items were rated on a 5-

point Likert-type scale ranging from 1(strongly disagree) to 5(strongly agree). This study conducted WABA for employee creativity since some managers or peers evaluated more than one sales representative's employee creativity. The results of E test ($E = 1.21$) and F test ($F = 4.27$) indicated that variation within groups is significantly more than between groups (O'Connor, 2004). Therefore, although some managers and peers assessed more than one sales representative's employee creativity, it did not violate the independency assumptions among employee creativity ratings. The 13 items were treated as a single factor depending on the result of the exploratory factor analysis.

Control Variables

This study included potential control variables based on prior research. Demographic variables (i.e., age, gender, tenure, and rank) were controlled. Previous research has demonstrated that these demographic variables are related to creativity (e.g., Caniëls, De Stobbeleir, & De Clippeleer, 2014; Hong & Milgram, 2010; Joo, Song, Lim, & Yoon, 2012). Age was coded as five groups (i.e., less than 30 years (1), 30 -35 years (2), 36 – 40 years (3), 41 -50 years (4), and more than 51 years). Rank was coded as 1(staff), 2(assistant manager), 3 (manager), 4 (senior manager), and 5 (general manager). Gender was coded as 0 (female) and 1 (male). In addition to demographic variables, this study controlled hours of ethics training relying on Valentine and Fleischman (2008) and Antes et al. (2009). The yearly hours of ethics training were determined by a response to the question: "How many hours per year do you take ethics training?"

Data Analysis Procedure

The collected data were analyzed quantitatively using the software packages (IBM SPSS 25.0, IBM AMOS 20.0, and R 3.6.3). After checking missing data and

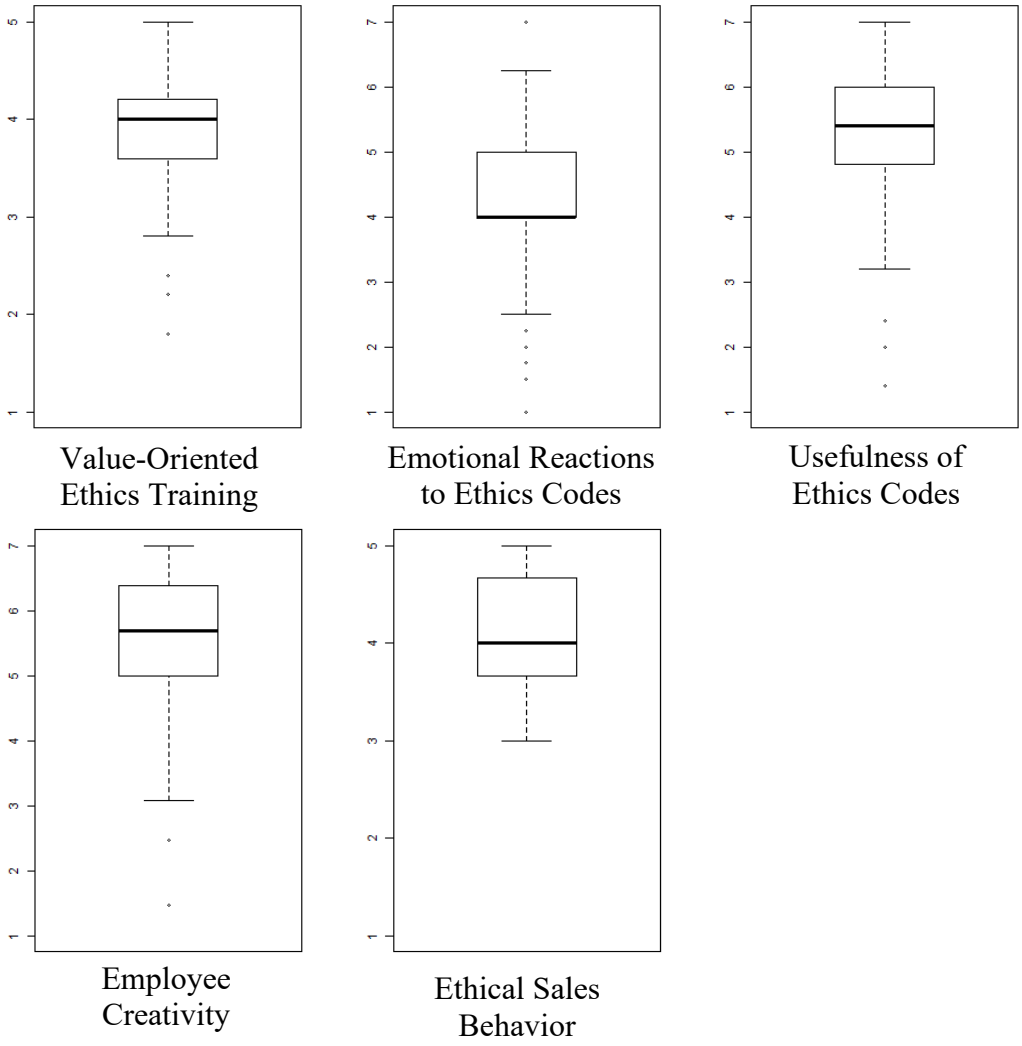
outliers to detect any distortions of the results of analyses, I conducted a four-step procedure. First, descriptive statistics and correlation analysis were conducted. Second, I conducted confirmatory factor analysis to check the construct validity of measures. Harman's single factor testing using exploratory factor analysis (EFA) and the unmeasured latent method construct (ULMC) techniques were also performed to check a common method variance to threaten the reliability and validity of measures (Jordan & Troth, 2020). Third, regression assumption tests were employed. Finally, this study tested hypotheses using hierarchical regression analyses.

Missing Data and Outliers

A listwise deletion approach was used to manage missing data. The final data set has no missing data. All the participants of both sales representatives and managers/peers' groups completing this survey answered all the questionnaire items. In addition, to identify univariate outliers, I used boxplots. Figure 5 presents the boxplots of value-oriented ethics training, the usefulness of ethics codes, positive emotional reactions to ethics codes, ethical sales behavior, and employee creativity. Extreme outliers that lie outside of more than three interquartile ranges below quartile 1 or above quartile 3 were not detected.

Figure 5

Box plots of variables



Descriptive and Correlation Analysis

In the first step, this research conducted descriptive statistics and correlation analysis as a preliminary analysis. Descriptive statistics of each variable, including means, standard deviations, kurtosis, and skewness were calculated. Bivariate correlation analysis was conducted to investigate the overall relationship among independent variables, moderating variables, and dependent variables as well as controlling variables.

Validity Test

The second step is to analyze the construct validity of the measures through confirmatory factor analysis (CFA). The validity of measures can be investigated by

assessing the quality of the measurement model which includes the relationship between the latent variables and their measures (Kline, 2010). The measurement model was tested to determine whether the model shows the overall good fit based on the fit indices, such as root square error of approximation (RMSEA), goodness of fit index (GFI), comparative fit index (CFI), and standardized root mean square residual (SRMR), as suggested by Kline (2010).

In addition, the effect of common method variance was tested. To address the threat of common method variance (CMV) bias that is frequently observed in research on social and behavioral sciences using self-reported data (Reio, 2010), this study adopted procedural remedies recommended by Podsakoff, MacKenzie, Lee, and Podsakoff (2003). First, this study obtained data from two different sources. Sales representatives rated value-oriented ethics training, the usefulness of ethics codes, and emotional reactions to ethics codes. The managers/peers of sales representatives rated the ethical behavior and creativity of the sales representatives. Second, the measures were separated from each other by different sections to reduce proximity effects. Third, the same Likert scale for all measures was not applied. Finally, this study obtained feedback on the questionnaire and data collection procedures through the pilot test in order to increase the probability that participants accurately respond to the questionnaire.

However, as participants responded to questionnaire items about more than one variable although this study collected data from two sources (i.e., manager/peer and sales representative) and all data were collected through self-reports during the same period of time, a common method variance (CMV) might exist in this study. Therefore, this study conducted Harman's single-factor test (Podaskoff et al. 2003) to identify whether

common method bias was present. Harman's single-factor test indicates “problematic CMV if an exploratory factor analysis (EFA) with all study variables produces eigenvalues suggesting the first factor accounts for more than 50% of the variance among variables” (Fuller, Simmering, Atinc, Atinc, & Babin, 2016, p. 3193). This study also conducted the ULMC test that “specifies a latent construct with no uniquely observed indicators to represent shared variance between a method and the substantive constructs” (Fuller et al., 2016, p. 2). Williams, Cote, and Buckley (1989) suggested that the CMV present in the data is not substantial when the proportion of variance attributed to a common latent factor is smaller than 25%.

Regression Assumptions Test

Prior to the hypotheses test, the regression assumptions including normality, linearity, homoscedasticity, and multicollinearity were tested to identify whether the ordinary least squares (OLS) method could be applied to this data set. To test the normality assumption, this study examined skewness and kurtosis of each variable and created a normal quantile-quantile (Q-Q) plot. The normal Q-Q plot forms a roughly straight line if the data come from a normal distribution. To test the linearity and homoscedasticity, the standardized residual against the standard predicted values plots were generated. When the dots in the plots are evenly dispersed around zero, the data set does not violate the assumptions of linearity and homoscedasticity. Multicollinearity exists when independent variables are highly correlated with one another. This issue makes it difficult to find which variable truly contributes to predicting the dependent variable. To diagnose the collinearity issue, the variance inflation factor (VIF) and tolerance were examined.

Hypotheses Test

Once it was confirmed that the data set did not violate regression assumptions, hierarchical regression analysis was performed to test hypotheses. In the first step, control variables such as gender, age, tenure, rank, and yearly hours of ethics training were entered. In the second step, the independent variable (i.e., value-oriented ethics training) is entered to test the effect of the independent variable on dependent variables (i.e., employee creativity and ethical sales behavior). In the third step, the variable (i.e., emotional reactions to ethics codes) moderating the relationship between the independent variable and dependent variables and the two-way interaction term was entered. Finally, the variable (i.e., the usefulness of ethics codes) along with two-way interaction terms and the three-way interaction terms were entered to test the moderated moderation effect of the usefulness of ethics codes on the relationship between the independent variable, the moderating variable, and dependent variables. Two-way and three-way interaction plots were created to visually interpret the moderating effect along with simple slope tests.

Summary

This chapter described the target population and sample, data collection procedure, the demographics of the participants, instruments, and data analysis procedure. To test hypotheses, this study collected data through a questionnaire survey in which sales representatives and their managers/peers working in pharmaceutical companies participated. While 141 sales representatives completed this survey about independent variables, moderating variables, and control variables, 47 managers or peers participated in the survey to evaluate sales representatives and to provide e-mail addresses of the sales representatives. As managers/peers evaluated more than one sales representative, the

WABA was conducted to check the independency of the raters. Previously validated scales were used to measure the variables. This study performed a four-step procedure to analyze the data set.

CHAPTER 4

RESULTS

This chapter presents the results of statistical analyses. The analyses followed a four-step procedure: descriptive and correlation analysis, validity test, regression assumption test, and hypotheses test. As demonstrated in Chapter 3, the Cronbach's alpha values to show the internal reliability of measures indicated good reliability (i.e., value-oriented ethics training (.90), the usefulness of ethics codes (.90), emotional reactions to ethics codes (.93), ethical sales behavior (.89), and employee creativity (.97)). Hair, Page, and Brunsveld (2020) suggested the rules of thumb about Cronbach's alpha coefficient size as follows: .60 and above is acceptable for exploratory research, .70 and above is good, .80 and above is excellent.

Descriptive Statistics and Correlation Analysis

Descriptive Statistics

Descriptive statistics including mean, standard deviation, skewness, and kurtosis, and histograms were examined to understand the basic features of the data set. For the descriptive analysis of variables, the items of each variable were averaged relying on the result of confirmatory factor analysis. Table 3 presents the results of descriptive statistics.

The mean of value-oriented ethics training was 3.872 out of 5 (*SD* = .687). The usefulness of ethics codes (*M* = 5.321 out of 7, *SD* = 1.123) was responded more favorably than emotional reactions to ethics codes (*M* = 4.392 out of 7, *SD* = 1.289). While the mean of employee creativity was 5.546 out of 7 (*SD* = 1.101), that of ethical sales behavior was 4.038 out of 5 (*SD* = .660). Skewness measures the symmetry in data distribution and "when skewness values are larger than +1 or smaller than –1, this

indicates a substantially skewed distribution" (Hair et al., 2020, p. 348). The results of skewness indicated that there was no significant skewness in variables. Kurtosis measures the difference between the tails of data distribution and those of normal distribution and "a curve is too peaked when the kurtosis exceeds +1 and is too flat when it is below –1" (Hair et al. 2020, p. 348). High kurtosis indicates that the data set includes outliers. As presented in Table 3, the distribution of ethical sales behavior (*Kurtosis* = -1.041) seems to be too flat. However, the box plot of ethical sales behavior presents that there are no extreme outliers and the density plot of it also shows that the distribution is not severely violated normal distribution (see Figure 6). As discussed earlier, the skewness of gender shows negative because of the gender ratio imbalance of this data (Female was coded 0, and male was coded 1). Thus, I concluded that the distribution of this data set was fairly symmetrical and not too flat.

Table 3

Descriptive Statistics

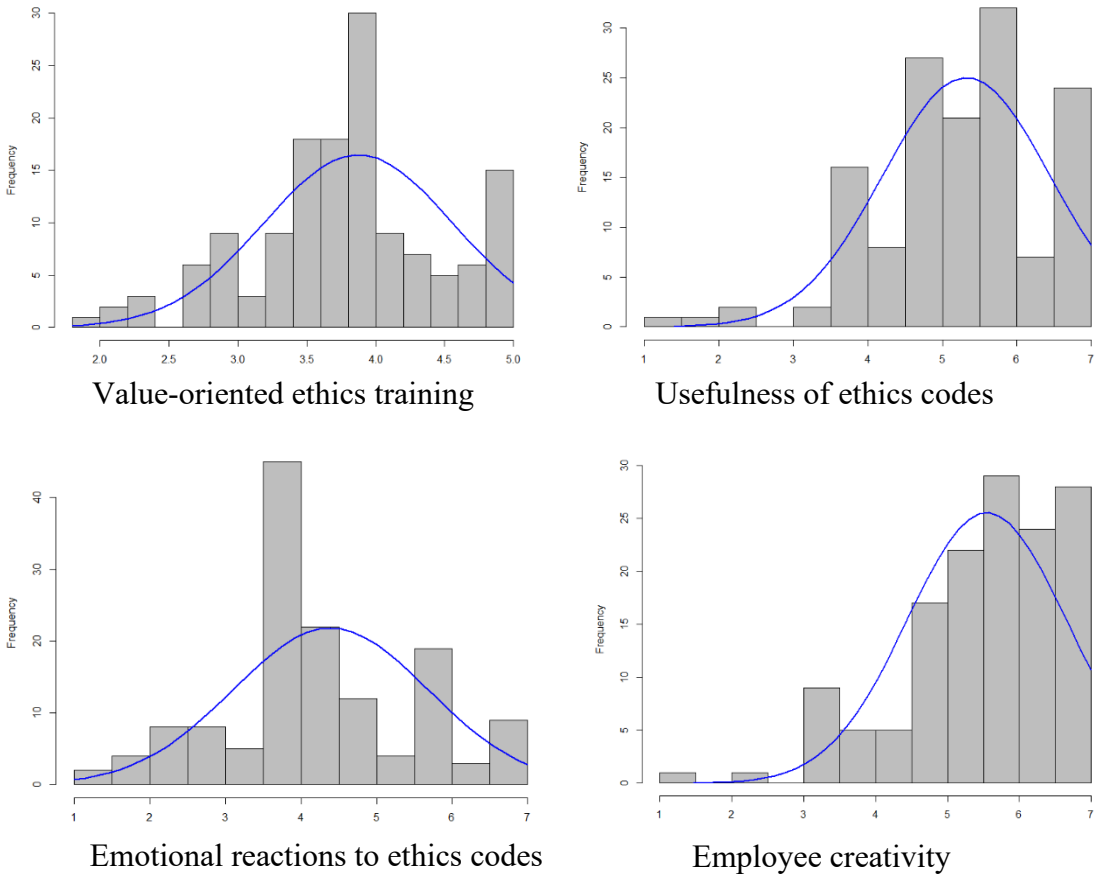
	Mean	SD	Skewness	Kurtosis
Gender	.790	.406	-1.472	.169
Age	2.670	.976	-.128	-.990
Position	2.720	1.295	.143	-1.249
Tenure	3.520	1.392	-.521	-.991
Yearly hours of ethics training	2.100	.966	.966	-.515
Value-oriented ethics training	3.872	.683	-.314	.138
Usefulness of ethics codes	5.321	1.123	-.651	.624

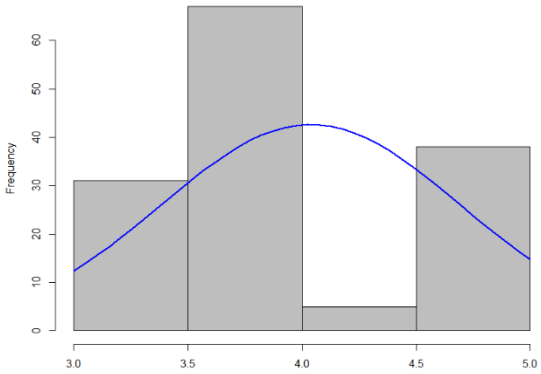
Emotional reactions to ethics codes	4.392	1.289	.089	-.106
Employee creativity	5.546	1.101	-.889	.723
Ethical sales behavior	4.038	.660	.233	-1.041

Note. $N = 141$; value-oriented ethics training and ethical sales behavior: a 5-point Likert-type scale; Usefulness of ethics codes, emotional reactions to ethics codes, and employee creativity: a 7-point Likert-type scale.

Figure 6

Histograms and Density Plots of Variables





Ethical sales behavior

Correlation Analysis

Bivariate correlation analysis among study variables was conducted to understand the overall relationships among variables. To measure a linear association between two variables, Pearson's correlation coefficient (or Pearson's *r*) was examined: the correlation is small if the coefficient lies below ± .29; medium if the coefficient lies between ±.30 and ±.49; high if the coefficient lies between ±.50 and ±1(Cohen, 1988). Table 4 presents bivariate correlations among the variables of this study.

Age was significantly correlated with position (r = .857, p <.01) and tenure (r = .899, p <.01). Age (r = -.200, p <.05), position (r = -.263, p <.01), and tenure (r = -.246, p <.01) were negatively correlated with yearly hours of ethics training. This research asked respondents about the perceived hours of ethics training that they usually take for one year. The hours may be different from actual ethics training hours that respondents take. Value-oriented ethics training was significantly correlated with age (r = .223, p <.01), position (r = .245, p <.01), and tenure (r = .193, p <.05) although the correlations were small. Controlling variables were not significantly correlated with moderating variables and dependent variables.

Value-oriented ethics training was significantly correlated with the usefulness of ethics codes ($r = .673$, $p < .01$) and emotional reactions to ethics codes ($r = .605$, $p < .01$). These high correlations between the independent variable and moderating variables increase the possibility of a multicollinearity problem (Disatnik & Sivan, 2013). Thus, this study tested multicollinearity. The result is presented in the section of the regression assumptions test in this chapter. While emotional reactions to ethics codes were not significantly correlated to employ creativity, this variable was significantly associated with ethical sales behavior ($r = .223$, $p < .01$).

Table 4

Bivariate Correlations Among Variables

	1	2	3	4	5	6	7	8	9
1. Gender									
2. Age	.349**								
3. Position	.187*	.857**							
4. Tenure	.228**	.869**	.899**						
5. Yearly hours of ethics training	.125	-.200*	-.263**	-.246**					
6. Value-oriented ethics training	.152	.223**	.245**	.193*	-.074				
7. Usefulness of ethics codes	.077	.025	.075	.025	.049	.673**			
8. Emotional reactions to ethics codes	.148	.011	-.014	-.017	.132	.605**	.755**		
9. Employee creativity	-.037	.018	.035	.063	-.117	.232**	.261**	.117	
10. Ethical sales behavior	.003	.016	.052	.046	.073	.235**	.317**	.223**	.482**

Note. $N = 141$; * $p < .05$, ** $p < .01$

Validity Test

This study conducted a series of confirmatory factor analyses to examine the measurement model assessment. In addition, Harman's single-factor test, and unmeasured latent method construct (ULMC) test were performed in order to check a common method variance to threaten the reliability and validity of measures.

Measurement Model Assessment

To test the construct validity of measures, this study compared the four-factor model including the dependent variable, two moderating variables, and the dependent variable with two alternative models (i.e., the three-factor model including the independent variable, the dependent variable, and a factor combining the two moderating variables, and the single factor model including a factor combining all variables). The comparison was examined through a series of confirmatory factor analyses, and the chi-square difference test using the values of chi-square and degrees of freedom in each model. The chi-square difference indicates the model fit difference between models (Kline, 2010). The model fit was assessed based on the indices suggested by Kline (2010): Root Mean Square Error of Approximation (RMSEA $\geq$ .10, poor fit), Comparative Fit Index (CFI $\geq$ .90, plausible fit), and Standardized Root Mean Square Residual (SRMR $\geq$ .10, poor fit). The series of confirmatory factor analyses and the chi-square difference tests were performed separately based on each dependent variable. Table 5 shows the results of the comparison among models.

In terms of the models including employee creativity as a dependent variable, the four-factor model proposed by this study was superior to the two alternative models. All the chi-squares of all the models were significant. However, while the model fit indices

of the single factor model and the three-factor model were not acceptable, the indices of the four-factor model indicated that this model was acceptable although the value of RMSEA was slightly high. The results of the chi-square difference also presented that the four-factor model was better than the two alternative models. The three-factor model presented the significant chi-square difference from the single-factor model ($\chi^2_{D1\text{-}3}$ = 1400.290, P <.001). The four-factor model also presented the significant chi-square difference from the three-factor model ($\chi^2_{D3\text{-}4}$ = 154.217, P <.001). The model fit indices and the chi-square difference demonstrated that value-oriented ethics training, the usefulness of ethics codes, emotional reactions to ethics codes, and employee creativity were distinct constructs in this study.

Similar to the results of the model including employee creativity, the results of the models including ethical sales behavior as a dependent variable showed that the four-factor model including value-oriented ethics training, the usefulness of ethics codes, emotional reactions to ethics codes, and ethical sales behavior had better model fit than two alternative models. In addition, the chi-square difference also indicated that the four-factor model was more appropriate than the other two models.

Table 5

Confirmatory Factor Analysis Results of Measurement Models

DV	Model	χ^2	*df*	Δ χ2	RMSEA	CFI	SRMR
	Single factor[1)]	2187.671***	324		.203	.530	.261
EC	Three-factor[2)]	787.381***	321	1400.290***	.102	.882	.070
	Four-factor[3)]	633.164***	318	154.217***	.084	.921	.052

	Single-factor[1)]	807.876***	119		.203	.655	.127
ESB	Three-factor[2)]	389.294***	116	418.582***	.130	.863	.075
	Four-factor[3)]	238.465***	113	150.829***	.089	.937	.057

Note. $N = 141$; EC = employee creativity; ESB = ethical sales behavior; [1)]single-factor model includes one-factor combining value-oriented ethics training, usefulness of ethics codes, emotional reactions to ethics codes, and a dependent variable; [2)] three-factor model includes value-oriented ethics training, a dependent variable, and a factor combining usefulness of ethics codes and emotional reactions to ethics codes; [3)] four-factor model includes value-oriented ethics training, usefulness of ethics codes, emotional reactions to ethics codes, and a dependent variable;
***$p < .001$

Common Method Variance

To examine the effect of common method variance, not addressed by procedural remedies, Harman's single-factor test was conducted (Podsakoff et al., 2003). The basic assumption of this technique is "that if a substantial amount of common method variance is present, either (a) a single factor will emerge from the factor analysis or (b) one general factor will account for the majority of the covariance among the measures" (Podsakoff et al., 2003, p. 889). If a single factor accounts for more than 50% of the total variance, it shows that a substantial amount of CMV is present (Podsakoff & Organ, 1986). Harman's single factor test was performed separately based on each dependent variable.

To conduct Harman's single factor test for the model including employee creativity as a dependent variable, exploratory factor analysis was conducted using un-rotated component factor analysis. All items of value-based ethics training, the usefulness of ethics codes, emotional reactions to ethics codes, and employee creativity were loaded as a single factor. As shown in Table 6, the single factor revealed 42% of the total variance. The results confirmed that the amount of common method variance for the measures may not be substantial.

The same test was performed for the model including ethical sales behavior. In contrast to the results for employee creativity, the single factor accounted for 50.6 % of the total variance. Given that the cut-off value of Harman's single factor test is below 50%, the measures including ethical sales behavior may be affected by common method variance.

Thus, additionally, the unmeasured latent method construct (ULMC) test was employed to confirm the effect of common method variance. The ULMC using confirmatory factor analysis is a tool of "detecting and partialling out variance shared among substantive indicators that are due neither to their substantive constructs nor to random error" (Richardson, Simmering, & Sturman, 2009, p.769). Williams et al. (1989) suggested that the CMV present in the data is not substantial when the proportion of variance attributed to a common latent factor is smaller than 25%.

Table 6

Results of Harman's Single-Factor Test

DV	Component	Initial Eigenvalues		
		Total	% of Variance	Cumulative %
EC	1	11.383	42.160	42.160
	2	6.892	25.525	67.686
	3	1.541	5.707	73.393
	4	1.038	3.846	77.239
	5	0.785	2.908	80.147
	6	0.573	2.124	82.271
ESB	1	8.602	50.599	50.599
	2	2.234	13.144	63.743
	3	1.523	8.957	72.700

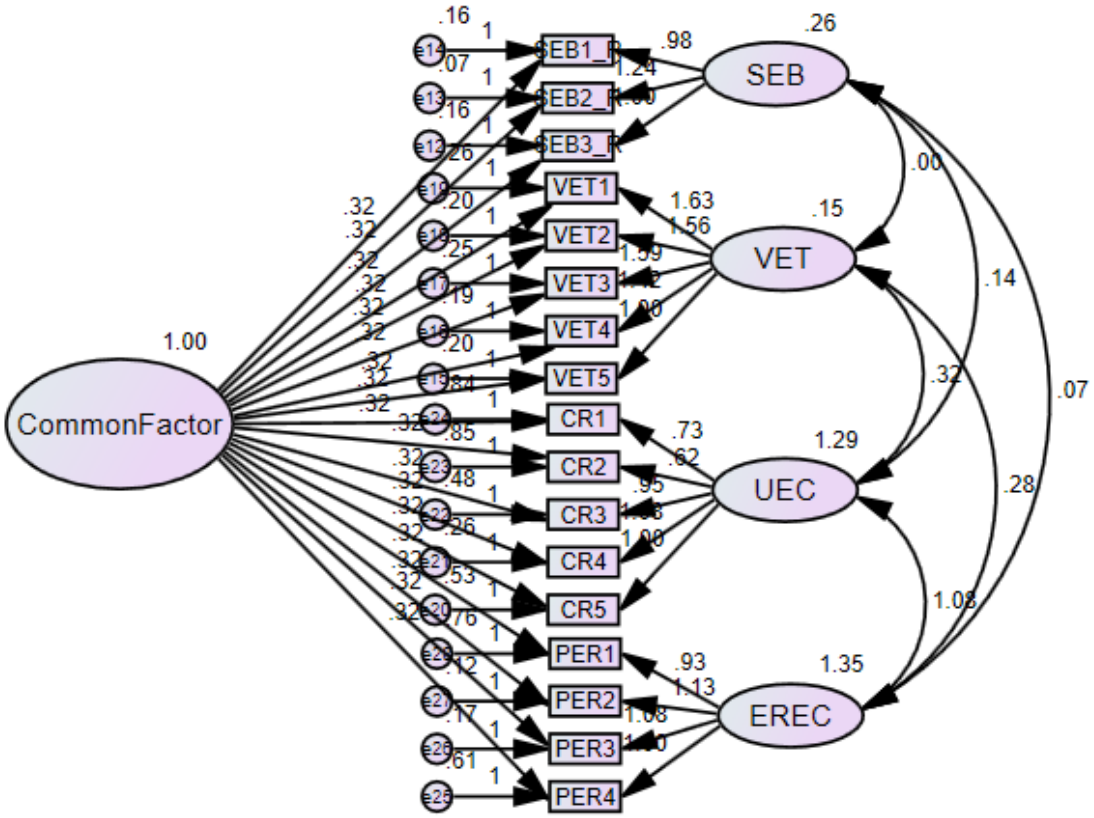
4	1.029	6.051	78.750
5	0.616	3.622	82.373
6	0.445	2.619	84.992

Note. EC = employee behavior; ESB = ethical sales behavior; Extraction method: principal component analysis.

To conduct the ULMC test for the measures including ethical sales behavior, the common latent variable (i.e., common factor) was added to the four-factor measurement model (see Figure 7). The results of confirmatory factor analysis demonstrated that the average factor loading estimate for the common factor was .32, which represents that the common method factor in this model accounts for 10.24% of the total variance. Given the cut-off value suggested by Williams et al. (1989), the measures including ethical sales behavior were little influenced by common method variance.

Figure 7

Latent Common Factor Model for CMV



Note. SEB = sales ethical behavior; VET = value-oriented ethical training; UEC = usefulness of ethical codes; EREC = emotional reactions to ethical codes.

Regression Assumptions Test

The linear regression assumptions including linearity, normality, homoscedasticity, and multicollinearity were tested. Nimon (2012) maintained that "the validity of inferences drawn from statistical test results depends on how well data meet associated assumptions" (p.1). This study proposed six hypotheses for the main effects of value-oriented ethics training, moderating effects of emotional reactions to ethics codes, and moderated moderating effects of the usefulness of ethics codes depending on two dependent variables (i.e., employee creativity and ethical sales behavior). Six regression models need to be tested. However, the main effect models (e.g., employee creativity = β_1 (value-oriented ethics training)) and the moderating effect models (e.g., employee

creativity = β_1 (value-oriented ethics training) + β_2 (emotional reactions to ethics codes) + β_3(value-oriented ethics training X emotional reactions to ethics codes)) were nested in the moderated moderating effect models (employee creativity = β_1 (value-oriented ethics training) + β_2 (emotional reactions to ethics codes) + β_3(usefulness of ethics codes) + β_4 (value-oriented ethics training X emotional reactions to ethics codes) + β_5 (value-oriented ethics training X usefulness of ethics codes) + β_6 (emotional reactions to ethics codes X usefulness of ethics codes) + β_7 (value-oriented ethics training X emotional reactions to ethics codes X usefulness of ethics codes)). Thus, this study tested the regression assumptions of two moderated moderating effect models (i.e., employee creativity model and ethical sales behavior model). The independent variable (i.e., value-oriented ethics training) and two moderating variables (i.e., the usefulness of ethics codes and emotional reactions to ethics codes) were mean-centered to minimize the multicollinearity issue.

Normality Assumption

To test the normality assumption, this study examined skewness and kurtosis of each variable and created normal quantile-quantile (Q-Q) plots. As presented in Table 3, the results of skewness and kurtosis for each variable demonstrated that the normal distribution assumptions for all variables were not violated.

Additionally, I examined normal Q-Q plots. Oppong and Agbedra (2016) explained that "the Q-Q plot is one of the most popular graphical methods used in testing normality" and "if the data are normally distributed, the result would be a straight diagonal line" (p. 27). As shown in Figure 8, the result for the employee creativity model is close to the straight diagonal dotted reference line. Although the result for the ethical sales behavior model seems to slightly deviate from the straight diagonal dotted reference

line, most Q-Q plot points including tails are within the 95% confidence interval (see Figure 9). Therefore, I concluded that there was no normality issue in this study.

Figure 8

Normal Q – Q Plot for the Employee Creativity Model

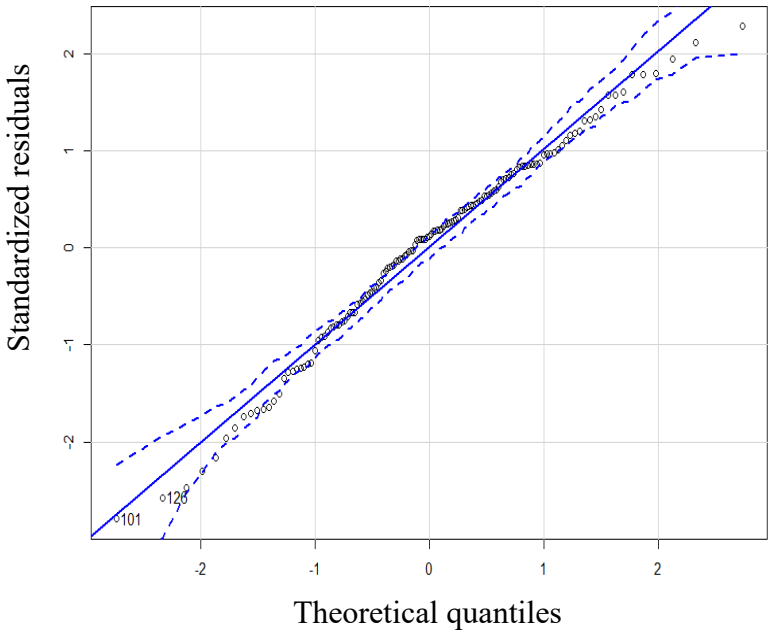
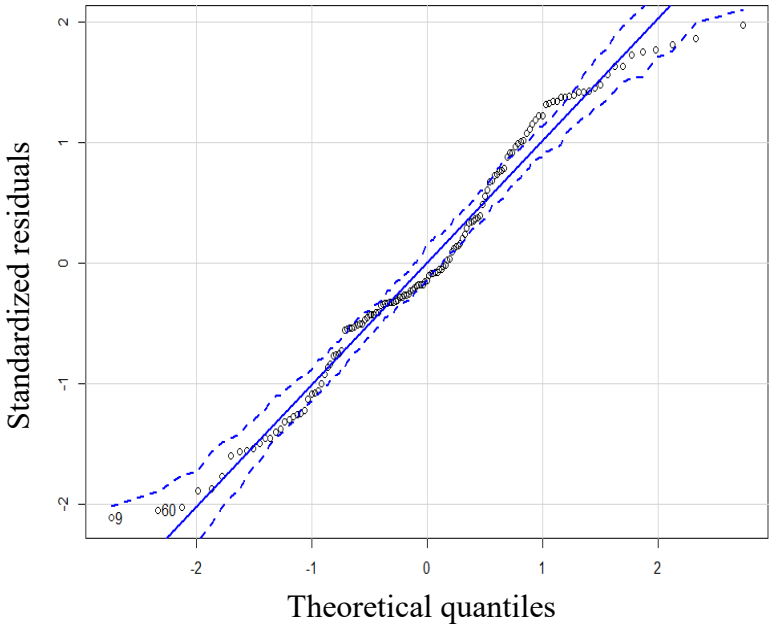


Figure 9

Normal Q – Q Plot for the Ethical Sales Behavior Model



Linearity and Homoscedasticity

To test the linearity and the homoscedasticity, the standardized residuals against the standard predicted values plots were generated. If there is a linear relationship between the independent variables and the dependent variable (i.e., linearity), the Loess (or local regression) curve appears fairly linear (Kane & Ashbaugh, 2017). As presented in Figures 10 and 11, the red Loess curves for the employee creativity model and for the ethical sales behavior model are close to zero along the entire X-axis. The results indicated that the data of this study would not violate the linearity assumption. In addition, if the variance of residuals in a regression model is constant (i.e., homoscedasticity), "the residuals locate around zero and are randomly scattered without any patterns" (Kim, 2019, p.3). As presented in Figures 10 and 11, although the points in the scatterplots are not evenly located around zero, the distribution of them is acceptable for homoscedasticity. Thus, I concluded that the data of this study did not violate the homoscedasticity assumption.

Figure 10

Residuals Against Fitted Values Plot for the Employee Creativity Model

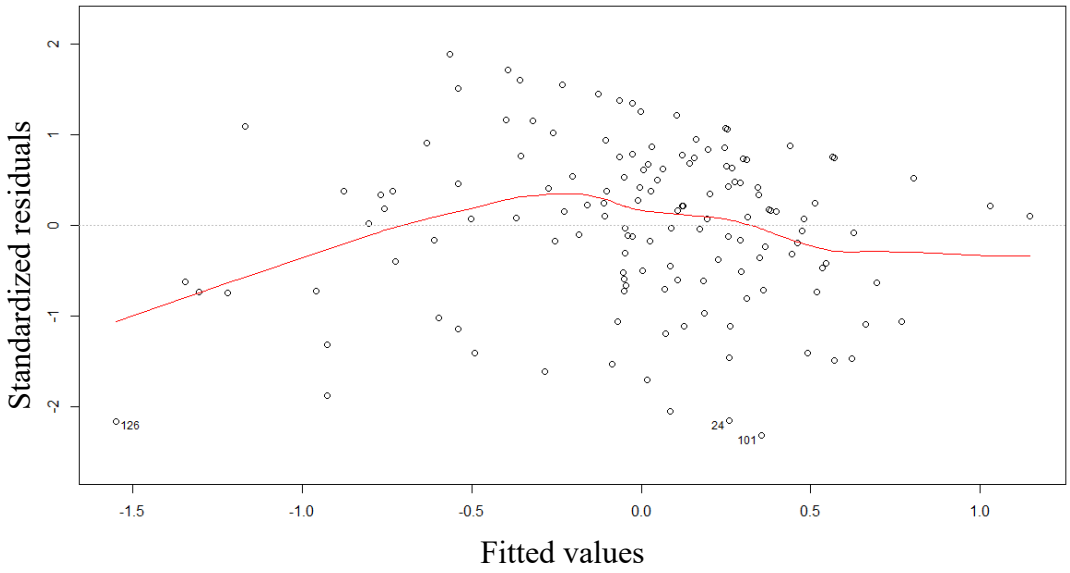
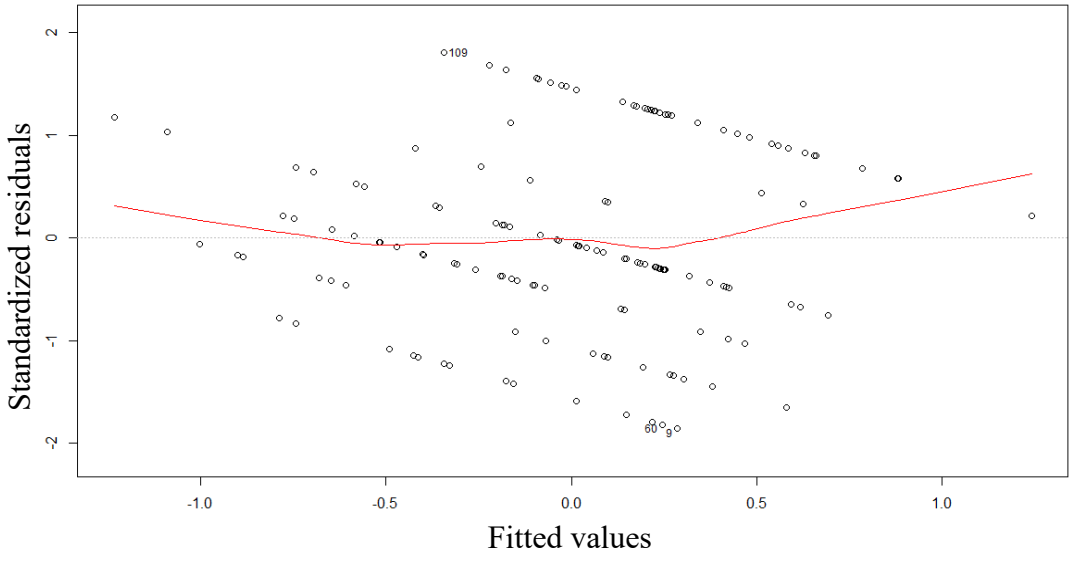


Figure 11

Residuals Against Fitted Values Plot for the Ethical Sales Behavior Model



Multicollinearity

To diagnose the collinearity issue, the variance inflation factor (VIF) and tolerance were examined. As aforementioned, the multicollinearity which the high

correlations among independent variables bring about may make it difficult to examine the true effects of each variable on the dependent variable. Kline (2010) suggested that there is no multicollinearity issue when tolerance values are more than .10 and the variance inflation factor values are less than 10. As shown in Table 7, all variables in this study had more than .10 tolerance values and less than 10 VIF values. Thus, there was no multicollinearity issue in this study.

Table 7

Multicollinearity Diagnostics

Variable	Tolerance	VIF
Yearly hours of ethics training	.872	1.147
Gender	.789	1.267
Age	.185	5.417
Position	.154	6.480
Tenure	.153	6.515
Value-oriented ethics training	.468	2.136
Usefulness of ethics codes	.343	2.913
Emotional reactions to ethics codes	.382	2.615

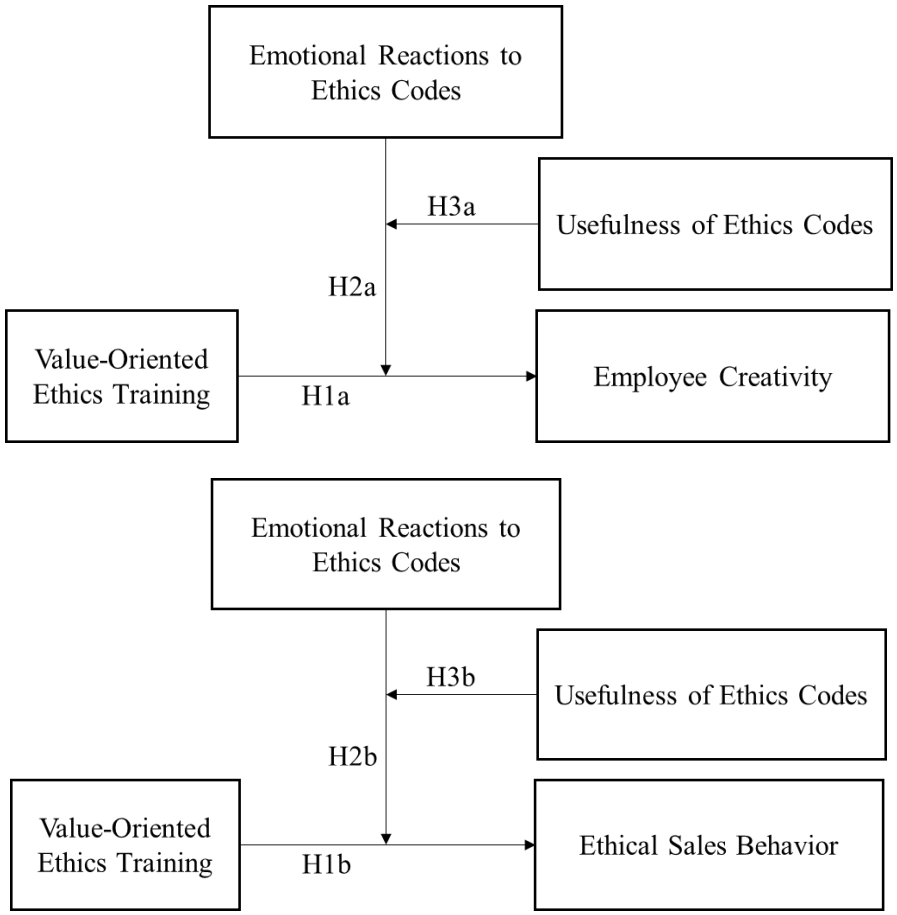
Hypotheses Test

Once it was confirmed that the data set of this study did not violate the regression assumptions, the hierarchical regression analyses were conducted based on the dependent

variables in order to test hypotheses. The research models including hypotheses based on the dependent variables are presented in Figure 12.

Figure 12

Hypotheses Based on the Dependent Variables



Hierarchical Regression Analyses for Employee Creativity

The results of hierarchical regression analyses predicting employee creativity are presented in Table 8. In model 1, demographic variables (i.e., gender, age, position, and tenure) and yearly hours of ethics training were controlled. Value-oriented ethics training was entered in Model 2 to test Hypothesis 1a (i.e., value-oriented ethics training is positively associated with employee creativity). It was found that value-oriented ethics

training significantly predicted employee creativity (b = .276, p<.01). Thus, Hypothesis 1a was supported.

Table 8

Results of Hierarchical Regression Analyses for Employee Creativity

	Model 1 (Control)	Model 2 (IV)	Model 3 (Moderator 1)	Model 4 (Moderator 2)
(Intercept)	5.772***	5.915***	6.116***	6.171***
Gender	-.054	-.136	-.212	-.138
Age	-.113	-.125	-.120	-.118
Position	-.085	-.161	-.086	-.169
Tenure	.172	.212	.130	.176
Hours of ethics training	-.123	-.112	-.090	-.132
VET		.276**	.255*	.298*
EREC			-.008	-.141
VET X EREC			-.195**	-.248
UEC				.362*
VET X UEC				-.198
UEC X EREC				.227
VET X UEC X EREC				-.115*
ΔR^2		.059**	.051*	.095**

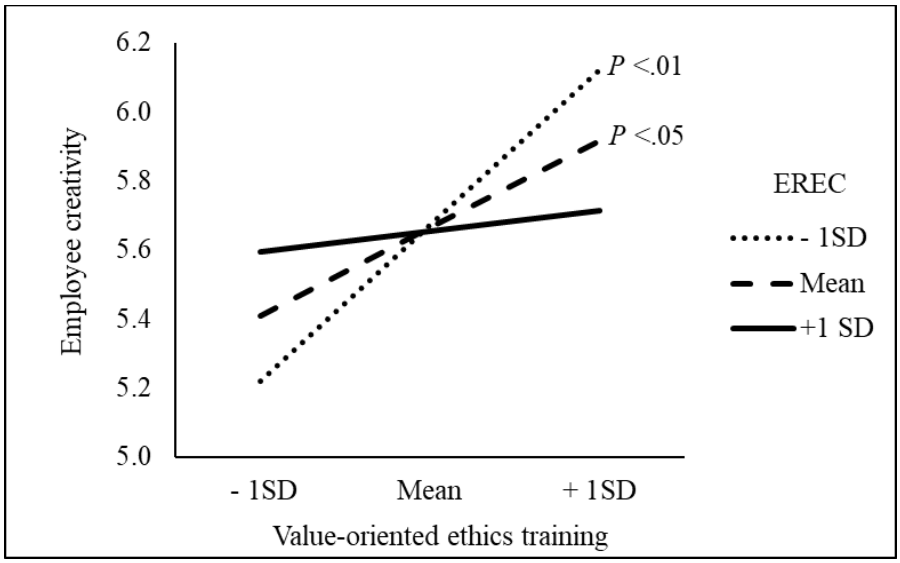
Note. VET = value-oriented ethics training; EREC = emotional reactions to ethics codes; UEC = usefulness of ethics codes; Moderator 1 = emotional reactions to ethics codes; Moderator 2 = usefulness of ethics codes.
* $p < .05$, ** $p < .01$, *** $p < .001$

In model 3, emotional reactions to ethics codes and the interaction term between value-oriented ethics training and emotional reaction to ethics codes were entered to test Hypothesis 2a (i.e., there will be a significant moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and employee creativity. When emotional reactions to ethics codes are more positive, the relationship

between value-oriented ethics training and ethical creativity will be strong). It was found that the interaction term significantly predicted employee creativity (b = -.195, p<.01). This result demonstrated that there was the moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and employee creativity. To visually interpret the moderating effect, I created the two-way interaction plot (see Figure 13). In contrast to Hypothesis 2a, the plot demonstrates that when emotional reactions to ethics codes are less positive (e.g., -1SD group), the relationship between value-oriented ethics training and ethical creativity is stronger than two other conditions. Furthermore, a simple slope test was performed "to whether the relationship (slope) between the independent variable and the dependent variable is significant at a particular value of the moderating variable" (Dawson, 2014, p.3). As shown in Table 9, while the relationship between value-oriented ethics training and employee creativity was statistically significant when the levels of emotional reactions to ethics codes were –1SD (b = .463, p<.001) and mean (b = .258, p<.05), the relationship was not significant when the level of emotional reactions to ethics codes was +1SD. Therefore, Hypothesis 2a was not supported.

Figure 13

Two-Way Interaction Plot for Employee Creativity



Note. EREC = emotional reactions to ethics codes

Table 9

Simple Slope Analysis of Two-Way Moderating Effect for Employee Creativity

Levels of Moderator	*b*	*SE*	*t*	*p*
- 1 SD	.463	.132	3.512	.001
Mean	.258	.117	2.203	.029
+ 1 SD	.053	.143	.369	.712

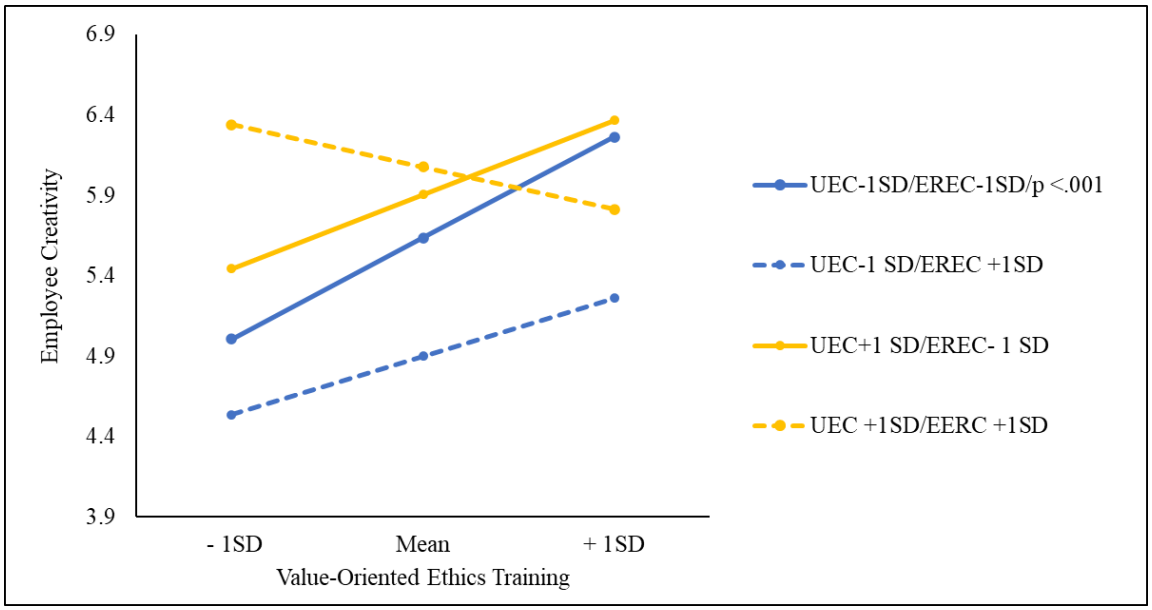
Note. EREC = emotional reactions to ethics codes

In model 4, the usefulness of ethics codes, other two-way interaction terms, and three-way interaction term were entered to test Hypothesis 3a (i.e., there will be a three-way interaction among value-oriented ethics training, emotional reactions to ethics codes, and the usefulness of ethics codes in predicting employee creativity. When the usefulness of ethics codes and emotional reactions to ethics codes are high, the positive relationship between value-oriented ethics training and employee creativity will be strong). It was found that the three-way interaction term significantly predicted employee creativity (b = -.115, p<.05). This result demonstrated that there was a three-way interaction effect in this model. The three-way interaction plot was generated to visually interpret the three-

way moderating effect (see Figure 14). In contrast to Hypothesis 3a, the plot shows that when both the usefulness of ethics codes and emotional reactions to ethics codes are low (-1SD), the positive relationship between value-oriented ethics training and employee creativity is stronger than in other conditions. Furthermore, a simple slope test was performed. As shown in Table 10, when both levels of EREC and UEC are -1SD (b = .640, p<.001), the relationship between value-oriented training and employee creativity is significantly significant. Therefore, Hypothesis 3a was not supported. In addition, although the plot shows a negative relationship when the level of both EREC and UEC is +1SD, the relationship was not statistically significant.

Figure 14

Three-Way Interaction Plot for Employee Creativity



Note. UEC = usefulness of ethics codes; EREC = emotional reactions to ethics codes

Table 10

Simple Slope Analysis of Three-Way Moderating Effect for Employee Creativity

Levels of EREC	Levels of UEC	*b*	*SE*	*t*	*p*
- 1 SD	- 1 SD	.640	.181	3.532	.001
- 1 SD	Mean	.586	.222	2.636	.009
- 1 SD	+ 1 SD	.532	.330	1.609	.110
Mean	- 1 SD	.473	.210	2.247	.026
Mean	Mean	.306	.134	2.291	.024
Mean	+ 1 SD	.139	.205	.680	.498
+ 1 SD	- 1 SD	.305	.356	.858	.393
+ 1 SD	Mean	.026	.208	.126	.900
+ 1 SD	+ 1 SD	-.253	.168	-1.510	.134

Note. EREC = emotional reactions to ethics codes; UEC = usefulness of ethics codes

Hierarchical Regression Analyses for Ethical Sales Behavior

The results of hierarchical regression analyses predicting ethical sales behavior were presented in Table 11. In model 1, demographic variables (i.e., gender, age, position, and tenure) and yearly hours of ethics training were controlled. Value-oriented ethics training was entered in Model 2 to test Hypothesis 1b (i.e., value-oriented ethics training is positively associated with ethical sales behavior). It was found that value-oriented ethics training significantly predicted ethical sales behavior (b = .163, p<.001). Thus, Hypothesis 1b was supported.

Table 11

Results of Hierarchical Regression Analyses for Ethical Sales Behavior

	Model 1 (Control)	Model 2 (IV)	Model 3 (Moderator 1)	Model 4 (Moderator 2)
(Intercept)	3.849***	3.933***	4.039***	3.992***
Gender	-.003	-.051	-.101	-.074
Age	-.097	-.104	-.099	-.072

Position	.067	.023	.070	.019
Tenure	.036	.056	.017	.045
Hours of ethics training	.067	.062	.071	.070
VET		.163**	.096	.139
EREC			.085	.044
VET X EREC			-.093*	-.169
UEC				.209*
VET X UEC				.018
UEC X EREC				.015
VET X UEC X EREC				-.080*
ΔR^2		.056**	.037*	.120**

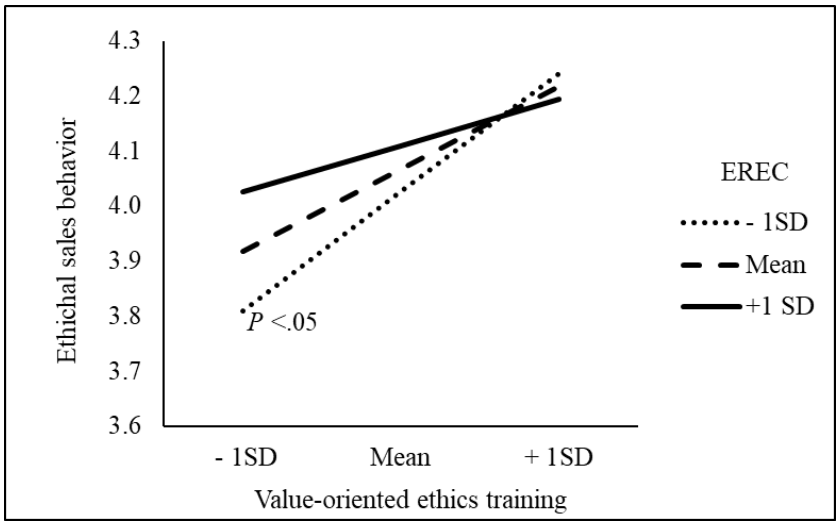
Note. VET = value-oriented ethics training; EREC = emotional reactions to ethics codes; UEC = usefulness of ethics codes; Moderator 1 = emotional reactions to ethics codes; Moderator 2 = usefulness of ethics codes.
* $p < .05$, ** $p < .01$, *** $p < .01$

In model 3, emotional reactions to ethics codes and the interaction term between value-oriented ethics training and emotional reaction to ethics codes were entered to test Hypothesis 2b (i.e., there will be a significant moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and ethical sales behavior. When emotional reactions to ethics codes are more positive, the relationship between value-oriented ethics training and ethical sales behavior will be strong). It was found that the interaction term significantly predicted ethical sales behavior (b = -.093, p<.05). This result demonstrated that there was the moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and employee creativity. The two-way interaction plot was created in order to visually understand the moderating effect (see Figure 15). According to the plot, similar to the results for employee creativity, when emotional reactions to ethics codes are less positive (e.g., -1SD group), the relationship between value-oriented ethics training and ethical

sales behavior is strong. Furthermore, a simple slope test was performed. As shown in Table 12, while the relationship between value-oriented ethics training and sales ethical behavior was significantly stronger than other conditions when the level of emotional reactions to ethics codes was –1SD (b = .189, p<.05)). The relationships were not significant when the levels of emotional reactions to ethics codes were mean and + 1SD. Therefore, Hypothesis 2b was not supported.

Figure 15

Two-Way Interaction Plot for Ethical Sales Behavior



Note. EREC = emotional reactions to ethics codes

Table 12

Simple Slope Analysis of Two-Way Moderating Effect for Ethical Sales Behavior

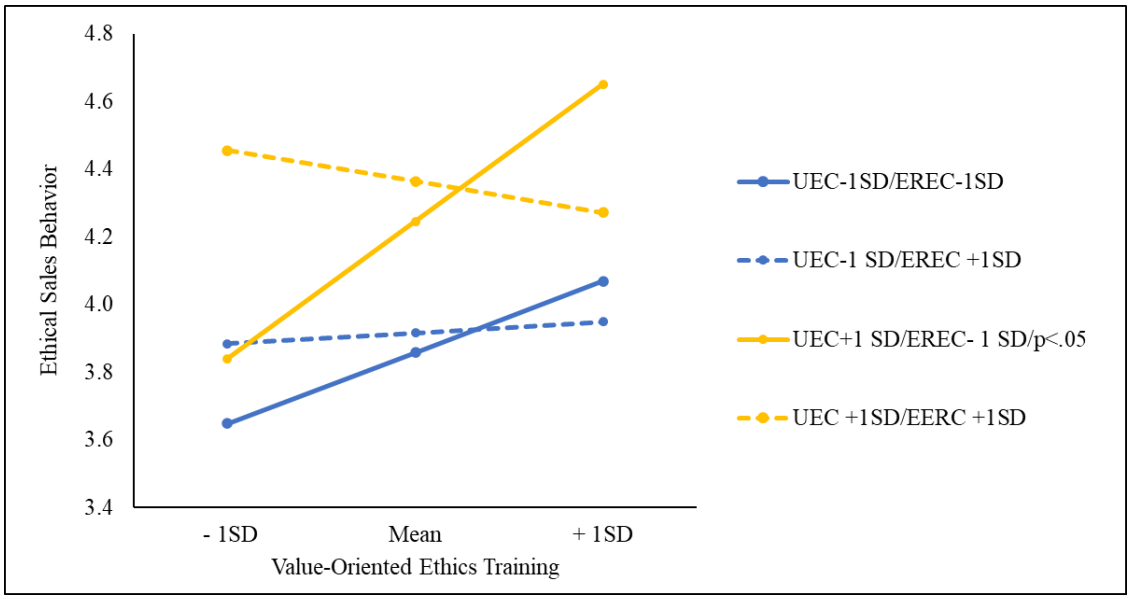
Levels of EREC	*b*	*SE*	*t*	*p*
- 1 SD	.189	.081	2.318	.022
Mean	.096	.073	1.309	.193
+ 1 SD	.003	.090	.033	.974

Note. EREC = emotional reactions to ethics codes

In model 4, the usefulness of ethics codes, other two-way interaction terms, and three-way interaction term were entered to test Hypothesis 3b (i.e., there will be a three-way interaction among value-oriented ethics training, emotional reactions to ethics codes, and the usefulness of ethics codes in predicting ethical sales behavior. When the usefulness of ethics codes and emotional reactions to ethics codes are high, the positive relationship between value-oriented ethics training and ethical sales behavior will be strong). It was found that the three-way interaction term significantly predicted ethical sales behavior (b = -.080, p<.01). This result demonstrated that there was a three-way interaction effect in this model. The three-way interaction plot was generated to visually interpret the three-way moderating effect (see Figure 16). In contrast to Hypothesis 3b, the plot shows that when there are in high usefulness of ethics codes and low emotional reactions to ethics codes, the positive relationship between value-oriented ethics training and employee creativity is stronger than in other conditions. Furthermore, a simple slope test was performed. As shown in Table 13 and Figure 16, when the levels of EREC and UEC are low (b = .640, p<.001), the relationship between value-oriented training and employee creativity was statistically significant. Therefore, Hypothesis 3b was not supported. In addition, although the plot shows the negative relationships in the group of EREC (+1SD) and UEC (+1SD) and the group of EREC (+1SD) and UEC (Mean), the relationships were not statistically significant.

Figure 16

Three-Way Interaction Plot for Ethical Sales Behavior



Note. UEC = usefulness of ethics codes; EREC = emotional reactions to ethics codes

Table 13

Simple Slope Analysis of Three-Way Moderating Effect for Ethical Sales Behavior

Levels of EREC	Levels of UEC	*b*	*SE*	*t*	*p*
- 1 SD	- 1 SD	.210	.111	1.903	.059
- 1 SD	Mean	.308	.136	2.260	.026
- 1 SD	+ 1 SD	.406	.203	1.997	.048
Mean	- 1 SD	.122	.129	.941	.348
Mean	Mean	.139	.083	1.684	.095
Mean	+ 1 SD	.157	.127	1.240	.217
+ 1 SD	- 1 SD	.033	.220	.150	.881
+ 1 SD	Mean	-.029	.130	-.227	.821
+ 1 SD	+ 1 SD	-.092	.105	-.875	.383

Note. EREC = emotional reactions to ethics codes; UEC = usefulness of ethics codes

Summary

This chapter presented the results of the statistical analyses employed in this study. First, the validity of measures was examined through measurement model assessment and

common method variance test. The results of the series of confirmatory factor analyses and the chi-square difference test supported the four-factor conceptual models based on the dependent variables, proposed by the results of the literature review. In addition, the results of Harman's single factor test and the unmeasured latent method construct (ULMC) test indicated that the measures in the data set that this study used to analyze were little influenced by common method variance. Second, the results of descriptive statistics and correlation analysis were presented. Although the kurtosis of ethical sales behavior was slightly high, the density and box plot demonstrated that the distribution did not violate the normal distribution assumption. The results of correlation analysis required the test of multicollinearity since the correlations between the independent variable and the moderating variables were high. Third, the linear regression assumptions including linearity, normality, homoscedasticity, and multicollinearity were tested. The normality assumption was evaluated by normal quantile-quantile (Q-Q) plots, the linearity and the homoscedasticity were evaluated by the standardized residuals against the standard predicted values plots, and the multicollinearity was evaluated by the variance inflation factor (VIF) and tolerance. The results indicated that there were no normality, linearity, homoscedasticity, and multicollinearity issues in this study. Finally, the hierarchical regression analyses were conducted to test hypotheses. The results showed that the main effects of value-oriented ethics training on the dependent variables (i.e., employee creativity and ethical sales behavior) were statistically significant. The moderating effects of emotional reactions to ethics codes and the usefulness of ethics codes on the dependent variables were also statistically significant. However, the results

of post hoc analyses including the interaction plots and simple slope tests demonstrated that the nature of the moderating effects did not support Hypotheses 2a, 2b, 3a, and 3b.

CHAPTER 5

DISCUSSION, IMPLICATIONS, AND CONCLUSION

This chapter discusses the results of this study in relation to the literature on compliance programs, creativity, ethical behavior, affective event theory, and cognitive appraisal theory. Then, the theoretical and practical implications of the findings are discussed. The recommendations for future research are suggested along with the limitations of this study. Lastly, the conclusion of this study is presented.

Discussion

The purpose of this study was to examine the relationship between value-based ethics training and employee behaviors (i.e., employee creativity and ethical behavior) and the moderating effects of cognitive and emotional reactions to ethics codes on the relationship. To achieve the purpose, this study formulated six hypotheses.

To test these hypotheses, a total of 141 dyad data were collected through an online survey from sales representatives and their managers/peers who are working at pharmaceutical companies in South Korea. Prior to testing the hypotheses, the reliability and validity of the measurement instruments, common method variance, and regression assumptions were checked. Hypotheses testing was conducted through hierarchical multiple regression analyses.

The results of this research, generally, demonstrate that value-oriented ethics training positively affects employee creativity and ethical behavior and that the moderating effects of emotional and cognitive reactions to ethics codes on the relationship between value-oriented ethics training and employee behaviors (i.e.,

employee creativity and ethical behavior) are significant. However, the hypothesized conditions of the moderating effects were not supported.

Main Effect of Value-Oriented Ethics Training

This study hypothesized that value-oriented ethics training would be positively associated with not only ethical behavior but also employee creativity. The results of regression analyses demonstrated that after controlling gender, age, position, tenure, and yearly hours of ethics training, value-oriented ethics training significantly predicted employee creativity ($b = .276$, $p<.01$) and ethical sales behavior ($b = .163$, $p<.001$). This finding revealed that employees who perceive that ethics training of their companies is value-oriented are likely to simultaneously show creative and ethical behavior.

Regarding ethical behavior, this finding supports the arguments of Warren, Gaspar, and Laufer (2014). They maintained that formal comprehensive ethics training including both compliance and value content decreases unethical behavior and contributes to boosting the important attributes of ethical culture, including intentions to behave ethically, organizational efficacy in managing ethics, and the firm's normative structure. Specifically, they stated that "it is possible that reduction in unethical behavior may have been driven by the compliance aspect of the training while shifts in the perceptions of values were driven by the value-oriented aspect of training, and these components fare differently over time" (p. 107). This finding is also consistent with the results of Weaver and Treviño's (1999) study. They empirically demonstrated that employees who perceived that an ethics program is value-based tend to be aware of ethical issues at work, and not to conduct unethical behavior. They emphasized that one of the main reasons that value-oriented ethics programs effectively reduce unethical

behavior is that the programs can build the environment of open communication based on trust within organizations.

Regarding employee creativity, there has been little research to explore the direct relationship between ethics training and creativity. However, given that value-oriented ethics training is an important factor to create ethical business culture (Verma, Mohapatra, & Löwstedt, 2016; Warren et al., 2014), the finding of this study is consistent with the results of previous studies to examine the relationship between ethical business culture and creativity (e.g., Agars, Kaufman, Deane, & Smith, 2012; Riivari & Lämsä, 2014; Valentine et al., 2011). The previous studies have explained that ethical business cultures shaping the work environment of open communication, mutual trust, and transparency to talk about ethical dilemmas with colleagues within their organizations help employees create and implement new ideas with psychological safety and/or without the fear of failure. Furthermore, it has become a popular topic to explore the relationship between ethical leadership and employee creativity (e.g., Asif, Miao, Jameel, Manzoor, & Hussain, 2020; Eisenbeiß & Brodbeck, 2014; Shafique, Ahmad, & Kalyar, 2020; Yidong & Xinxin, 2013). The literature also has paid attention to the characteristics that ethical leaders possess, including integrity, caring, openness, honesty, altruism, trustworthiness, justice, and collective motivation, which in turn positively affect employee creativity (Tu & Lu, 2016). As ethical leaders with whom employees want to communicate their ethical concerns based on open communication and trust inspire employees to show creativity, value-oriented ethics training can positively influence employee creativity by providing the opportunity for employees to discuss their ethical dilemmas with colleagues. Thus, this finding supports the argument of Fried (2017) that effective communication is critical

for organizations in highly regulated industries to encourage employees to behave ethically and creatively.

Moderating Effects of Emotional Reactions to Ethics Codes

This study predicted that emotional reactions to ethics codes would moderate the relationship between value-oriented ethics training and employee behaviors (i.e., employee creativity and ethical sales behavior). In addition, it was predicted that high positive emotions to ethics codes will strongly enhance the relationship. The results of hierarchical regression analyses demonstrated that emotional reactions to ethics codes moderated the impact of value-oriented ethics training on employee behaviors. However, the results of the two-way interaction plots (see Figure 13 and 15) and simple slope analyses (see Table 12 and 13) showed that when emotional reactions to ethics codes were less positive, the effects of value-oriented ethics training on employee behaviors were strengthened. This finding revealed that the value-oriented ethics training to stimulate employee creativity and ethical behavior would be more effective to employees with low positive emotional reactions to ethics codes than those with high positive emotions.

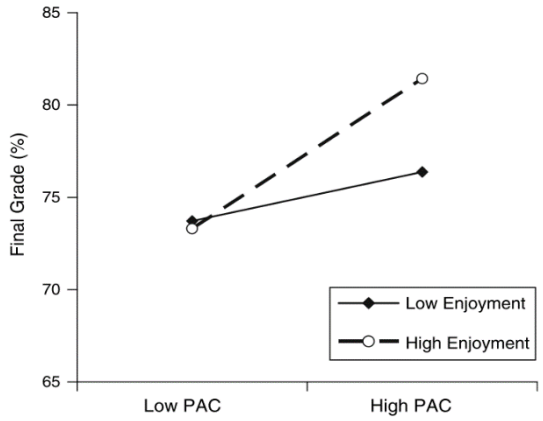
This finding does not support previous studies to examine the moderating effects of emotions, which demonstrate that while high positive emotions more enhance the positive relationship between independent and dependent variables than low positive emotions, high negative emotions more weaken the positive relationship than low negative emotions. For example, Zhang, Xie, and Morrison (2021) reported that the organizations' efforts for corporate social responsibility more positively impact safety behaviors including safety compliance, participation, and adaptation at low negative

emotions during the pandemic than at high negative emotions. Afzal, Malik, and Atta (2014) also reported that the moderating effects of positive emotions on the positive relationship between hope and subjective well-being were strong when positive emotions were high. According to the results of Ruthig et al.'s (2008) study, while high negative emotions including high anxiety and boredom weaken the impact of perceived academic control on the final grade, the high positive emotion including enjoyment strengthens the impact.

The interaction plot patterns of this study are also quite different from those of typical previous studies. As shown in Figure 17, typical previous research produced the interaction plot that when the level of the independent variable is low, that of the dependent variable is also low regardless of positive emotion levels, but the slope for high positive emotions is steeper than that for low positive emotions. In contrast, the interaction plots for this study show that the high positive emotions group shows high creativity and ethical behavior even though they perceive that the level of value-oriented ethics training is low (see Figure 13 and 15). While the slope for high positive emotions is gentle, that for low positive emotions is steep.

Figure 17

A Sample Two-Way Interaction Plot



Note. Adapted from Ruthig et al.(2008); PAC = Perceived Academic Control

This finding needs to be interpreted cautiously. Value-oriented ethics training can impact employee creativity and ethical behavior. In particular, it is certain that the impact will be stronger for employees who have low positive emotional reactions to ethics codes than those who have high positive emotions. However, employees who have high positive emotions to ethics codes show a high level of creativity and ethical behavior regardless of value-oriented ethics training.

Related to this interpretation, the findings of this study might reveal that value-oriented ethics training would support the emotional regulation processes of employees popularly discussed in affective events theory literature (Wegge et al., 2006). Since employees experience positive and negative work events arousing emotions in the workplace, the ability to effectively manage emotions of the self (i.e., emotional regulation) is critical (Parke, Seo, & Sherf, 2015). Parke et al. (2015) reported that emotional regulation moderated the influence of employee emotions on employee creativity. They concluded that the influence is positive and stronger at low levels of emotional regulation ability because if employees have high emotional regulation ability, their emotions will be stable regardless of the level of creativity. In addition, Deshpande

(2009) showed that a high level of emotional regulation is associated with engaging in ethical behavior. Various strategies were used in order to regulate emotions such as situation selection, situation modification, attentional deployment, cognitive change, and response modulation (Gross & John, 2003). Among them, it is widely acknowledged that reappraisal "constructing a potentially emotion-eliciting situation in a way that changes its emotional impact" is a common and effective strategy (Matta, Erol-Korkmaz, Johson, & Bicaksiz, 2014, p.924). Given that the purpose of ethics training is to persuade employees to have a positive perception of compliance programs (Kaptein, 2015), value-oriented ethics training will provide employees with opportunities to reappraise work environment including compliance programs as an emotional regulation strategy by mitigating the effect of less positive emotions arising in response to ethics codes on behaviors. Thus, the roles of value-oriented ethics training on employee behaviors (i.e., employee creativity and ethical behavior) would be limited when employees have high positive emotions associated with codes of ethics.

Moderated Moderating Effect of the Cognitive Reactions to Ethics Codes

This research explored the moderated moderating effects of the usefulness of ethics codes on the relationship between value-oriented ethics training, emotional reactions to ethics codes, and employee behaviors (i.e., employee creativity and ethical sales behavior). This study also predicted that when the usefulness of ethics codes is high, the moderating effects of emotional reactions to ethics codes on the relationship between value-oriented ethics training and employee behaviors will be strong. The results of hierarchical regression analyses demonstrated that the usefulness of ethics codes played a significant role as a moderated moderator. However, the results of the three-way

interaction plots (see Figure 14 and 16) and simple slope analyses were mixed. While the moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and employee creativity was strong at low usefulness of ethics codes, the effect on the relationship between value-oriented ethics training and ethical sales behavior was strong at high usefulness of ethics codes. This finding revealed that while the value-oriented ethics training to foster employee creativity would be effective to employees with low emotional and cognitive reactions to ethics codes, the ethics training to increase ethical sales behavior would be effective to employees with perceived high usefulness of ethics codes and low positive emotional reactions to codes of ethics.

Generally, previous studies on the moderating effect of cognitive appraisal of events have demonstrated that positive cognitive appraisal is likely to strengthen the relationship between independent and dependent variables (e.g., Behringer, Sassenberg, & Scholl, 2017; Cheah, Yu, Liu, & Coplan, 2019; Liu, Shen, & Li, 2019; Szkody & McKinney, 2020). Although the results for ethical sales behavior supported findings from previous research, that for employee creativity did not support them. One possible explanation for these mixed results lies in the characteristics of dependent variables. Similar to emotional regulation processes, according to cognitive appraisal theory, individuals cognitively appraise stressful work events. Once the individuals evaluated the event as harmful or challenging, they try to deal with the stressor through the second appraisal (i.e., coping mechanisms; Majeed & Naseer, 2019). Value-oriented ethics training may help the coping mechanisms by providing appropriate knowledge and opportunities to harmonize employees' values with organizational values (Ruiz et al.,

2015). These features of value-oriented ethics training including transparent communication can encourage employees who perceive low usefulness of ethics codes to show creative behavior, given that the main mechanism to lead value-oriented ethics training to employee creativity is to help employees perceive the work environment of open communication, trust, and transparency. In addition, employees who perceive high usefulness of ethics codes showed high levels of employee creativity regardless of the levels of value-oriented ethics training. In other words, the moderating effect of emotional reactions to ethics codes on the relationship between value-oriented ethics training and employee creativity will not be strong at when perceived usfulness of ethics codes is high.

In contrast, ethical sales behavior is boosted when employees are aware of ethics codes and can apply the ethics codes in daily activity (Schwartz, 2001). However, value-oriented ethics training emphasizes the organizational values and underlying meaning of ethics codes while compliance ethics training focuses on codes of ethics per se, punishment, and rewards (Warren et al., 2014). It means that if employees do not have knowledge and information about codes of ethics, value-oriented ethics training will not effectively encourage them to engage in ethical behavior. Thus, it is a critical condition to enhance the impact of value-oriented ethics training on ethical sales behavior whether employees perceive the usefulness of ethics codes.

Theoretical Implications and Future Research Recommendations

This study provides three theoretical implications for the existing literature on compliance programs and employee creativity. First, this study shed light on the role of value-oriented ethics training in addressing the paradoxical tension between codes of

ethics emphasizing external control based on rules and employee creativity needing out-of-box thinking. Addressing the tension is critical, given that current organizations should pursue innovations based on business ethics to survive in the rapidly changing environment (Bierly et al., 2009).

Weaver and Treviño (1999) stated that while a compliance-oriented approach relying on rules prompts employees to follow established rules, this approach can discourage the employees to use their moral judgment leading to real ethical behavior. Instead, a value-oriented approach focusing on harmonizing values between employees and organizations through communicating moral expectations throughout organizations contributes to building ethical business culture, an environment "where employees are not only expected to discern right from wrong, a basic minimum, but also, more importantly, are expected to go beyond the minimum to explore and implement ethical decisions when all choices seem right" (Ardichvili, Mitchell, & Jondle, 2009, p.445).

Case study-based research studies have examined how a value-oriented approach influences creating ethical business culture (e.g., Segon & Booth, 2013; Webb, 2012). Furtuhermore, Kancharla and Dadhich (2020) showed that value-oriented ethics training can affect workplace behavior including intention to stay, employee commitment, and job satisfaction beyond ethical behavior through the mediating effect of ethical business culture. However, the direct relationship between value-oriented ethics training and employee creativity has not been examined empirically. Therefore, this study advances the understanding of the effects of value-oriented ethics training on employee creativity as well as ethical behavior. In particular, the findings of this study showed that value-oriented ethics training enables employees to behave both ethically and creatively in the

context of pharmaceutical companies having strict codes of ethics. Future research could expand the understanding of the relationship between value-oriented ethics training and employee behaviors by investigating mediators. For example, although previous research has discussed that building the work environment of open communication, trust, and transparency motivates employees to behave ethically and creatively, there has been little research providing empirical evidence in support of these assertions. Thus, investigating underlying mechanisms of how value-oriented ethics training influences employees behavior could be one promising direction for future research.

Second, this study identifies the boundary conditions in which the relationship between value-oriented ethics training and employee behaviors (i.e., employee creativity and ethical behavior) is stronger. This research determined both emotional reactions to ethics codes and cognitive reactions to ethics codes (i.e., the usefulness of ethics codes) as moderators relying on both cognitive appraisal theory and affective events theory. There have been many previous studies on how emotions affect ethical behavior or ethical decision making (e.g., Agnihotri, Rapp, Kothandaraman, & Singh, 2012; Gaudine & Thorne, 2001; Kligyte, Connelly, Thiel, & Devenport, 2013) and on the role of cognition in ethical behavior (e.g, Schwartz, 2001; Sims, 1992; Wotruba, Chonko, & Loe, 2001). In addition, emotions and cognition have been popular topics in creativity research (e.g., Amabile, 1998; Gino & Ariely, 2012; Kaufman, 2015; Kirkhaug, 2009; Vulpe and Damoiu, 2011). However, in general, such previous research has examined the effects of emotions and cognition on employee behaviors separately. Even if examining the effects of emotions and cognition on employee behaviors simultaneously, the studies have considered emotions and cognition as mediators (e.g., Choi et al., 2011; Wegge et al.,

2006). While cognitive appraisal theory posits that cognition causes emotions, which cause behavior, affective events theory assumes that emotions cause behavior or cognition. Given the assumptions of cognitive appraisal theory and affective events theory, emotions and cognition may mediate the relationship between work events and employee behaviors. This study examined the effects of two different work events (i.e., codes of ethics and value-oriented ethics training) on employee behaviors. It was posited that different work events arouse different emotions and cognition independently as it will be explained in detail later. Previous research showed that positive and negative work events can affect employee behavior collectively (e.g., Bono, Glomb, Shen, Kim, & Koch, 2013; Wang, Zhu, Dormann, Song, & Bakker, 2020).

Therefore, this study explored the moderating effects of emotions and cognition on the relationship between value-oriented ethics training and employee behavior relying on "the appropriate role a third variable plays should be determined primarily by the researchers' substantive theory and appropriate operationalization" (Wu & Zumbo, 2008, 369). HRD research has called for further studies on how companies encourage employees to break the status quo based on high moral standards (MacKenzie, Garavan, & Carbery, 2012). The understanding of cognitive and emotional reactions to ethics codes as boundary conditions to affect ethics training can be an important initial step to create effective ethics training to foster both employee creativity and ethical behavior. This research confirmed that the effects of value-oriented ethics training on employee behaviors can be different depending on emotional and cognitive reactions to ethics codes. Future researchers may expand the results of this study by exploring what elements of ethics training such as delivery format, duration, and contents are associated with

employee behaviors in each group (e.g., high positive emotions and cognition group and low positive emotions and cognition group).

Lastly, this study contributes to the body of knowledge on compliance programs by examining the collective effects of value-oriented ethics training and codes of ethics on employee behaviors. It is widely acknowledged that codes of ethics and ethics training are core elements of compliance programs (Kaptein, 2015). They play different roles in preventing ethical misconduct. While ethics codes provide behavioral guidelines based on rules, ethics training provides employees with opportunities to understand the rules and to develop the ability for moral judgment based on ethical standards (Chen & Soltes, 2018; Kaptein & Schwartz, 2008). Ethical training is effective once codes of ethics are well established (Singh, 2011). Although previous research on compliance programs has revealed that ethics training is connected with codes of ethics, to my best knowledge, there has been little research on the relationship between ethics training and codes of ethics. The findings of this study revealed that value-oriented ethics training can mitigate the negative effects of less positive emotions on employee creativity and ethical behavior. While value-oriented ethics training strongly enhanced the creativity of employees who perceived even low usefulness of ethics codes, it enhanced the ethical behavior of employees who perceived high usefulness of ethics codes.

Although this research examined the moderating effect of ethics codes positing that codes of ethics and related ethics training can arouse different emotions and cognition leading to behaviors, value-based ethics training can also influence employee behaviors by affecting emotions and cognitions toward codes of ethics. In fact, it is difficult for researchers to determine which is more appropriate to explain the difference

between moderation and mediation because the phenomena can be explained by combining moderation and mediation although the guidelines of moderation testing emphasize that independent variable and moderator should be uncorrelated (Hall & Sammons, 2013). Therefore, future research is needed to explore the mediating effect of ethics codes on the relationship between value-oriented ethics training and employee behaviors by adopting a longitudinal research design to increase the understanding of the underlying mechanisms in which value-oriented ethics training affects employee behaviors.

Recommendations for Practice

This study has several practical implications for compliance officers, HRD practitioners, and organizational leaders. First, the most critical implication of this study is that compliance programs including codes of ethics and ethics training do not only influence ethical behavior but other employee behaviors including creativity. Although unethical behavior is nothing new, current rapidly changing and complex environments provide more ethical challenges than in the past (Treviño & Brown, 2004). To address the challenges, many organizations have adopted faddish solutions to show quick results (Short & Tofel, 2010). Such organizations are likely to focus on a compliance-oriented approach to reduce employees' ethical misconduct. However, as discussed earlier, a compliance-oriented approach has a limited role in promoting real ethical behavior. Furthermore, the approach tends to decrease employee creativity. In contrast, this study showed that a value-oriented approach increased not only ethical behavior but also employee creativity. The study findings suggest that organizations should create and implement compliance programs considering the effects of compliance programs on other

employee behaviors as well as ethical behavior with a long-term perspective building ethical business culture. The first step will be to evaluate whether current compliance programs positively affect other employee behaviors as well as ethical behavior. However, it is not easy. For example, while the effects of compliance programs on ethical behavior can be measured by the number of occurrences of ethical misconduct, it is very difficult to quantify the level of employee creativity affected by compliance programs in the organizations. Similar to this research, using Weaver and Treviño's (1999) five items of value-based orientation and three items of compliance-based orientation could provide a viable alternative. When organizations conduct the reform of compliance programs based on the analysis of compliance programs, employees' participation in the processes of reform will help employees accept the change and perceive the work environment of open communication with trust (Stouten, Rousseau, & De Cremer, 2018).

Second, the effects of value-oriented ethics training on employee behaviors (i.e., employee creativity and ethical behavior) are different depending on the levels of emotional reactions to ethics codes. In general, while the effect of value-oriented ethics training on employee creativity was strong when employees had low positive emotions to ethics codes, the employee creativity of employees who had high positive emotions to ethics codes was relatively high regardless of value-oriented ethics training. These results imply that to maximize the effects of value-oriented ethics training, organizations should consider separating participants in the ethics training into two groups: those with low positive emotions to ethics codes and those with high positive emotions to ethics codes. Even when participants have less positive emotions to ethics codes, value-oriented ethics training will mitigate the negative effects of the less positive emotions on employee

behaviors. Thus, the training sessions for this group need specialized content and delivery methods to support their emotional regulation processes. The training content should include underlying values and norms to shape codes of ethics to provide the participants with opportunities to reappraise the usefulness of ethics codes. In terms of delivery format, I suggest that this group needs to participate in a face-to-face course in which participants have chances to harmonize their own values and organizational values by interacting with other colleagues (Antes et al., 2009). In contrast, the main purpose of the training courses for participants having high positive emotions to ethics codes will be to provide them with a review and update on the organization codes of ethics and provide training related to organizational values. Course formats and content for this group can be flexible, keeping the value-oriented approach. For example, virtual discussion instead of more costly in-person discussions will also be effective.

Third, the moderating effect of the usefulness of ethics codes is different depending on the perceived level of the usefulness of ethics codes. In other words, the perception of the low usefulness of ethics codes strongly enhances the relationship among value-oriented ethics training, emotional reactions to ethics codes, and employee creativity. This result implies that, as mentioned earlier, ethics training sessions can provide employees with opportunities to reduce negative cognitive appraisal of ethics codes. Thus, ethics training needs to include a review of values and norms and should utilize in-person format enabling participants to discuss moral issues. In contrast, the perceived high usefulness of ethics codes strongly enhances the relationship among value-oriented ethics training, emotional reactions to ethics codes, and ethical behavior. The study findings for ethical behavior support the arguments of Segon and Booth (2013)

and Warren et al. (2014) that value-oriented ethics training should be supplemented by compliance-related content. The study results suggest that, to increase ethical behavior, not only value-oriented ethics training should be provided, but also compliance-related content should be covered. In other words, training should cover both specific rules and regulations and organizational values and norms.

Limitations and Future Research Recommendations

The present study is not free from limitations that should be taken into consideration. First, this study collected dependent variable data (i.e., the employee creativity and ethical sales behavior of sales representatives) from managers/peers of the sales representatives not only to mitigate the possibility of common method variance and but also to obtain more objective data than self-reports. This research assumed that managers/peers have enough information to evaluate creativity and ethical sales behavior of the sales representatives and are willing to report the dependent variables accurately as the use of self-report measures posits (Bing, LeBreton, Davison, Migetz, & James, 2007). Previous research has found that supervisors/peers can provide rich and comprehensive descriptions of peers' or subordinates' behaviors and, therefore, their evaluations are likely to be more objective than self-reports (e.g., Zhou & Shalley, 2003). However, managers/peers also rely on their subjective evaluations. In other words, their evaluations are not "free from potential biases, such as demographic characteristics, halo effects, systematic bias, and social desirability" (Park, Chun, & Lee, 2016, p. 3). Therefore, future researchers could incorporate different or multiple methods to enhance the validity of their studies of employee creativity and ethical sales behavior. For example, future research may use triangulation strategies investigating both subjective measures (e.g.,

self-rating, peer-rating, or supervisor-rating) and objective measures (e.g., the number of knowledge-sharing activities for employee creativity and the number of ethical violations for ethical sales behavior).

Second, this research focused on only contextual elements including codes of ethics and ethics training to explore how ethics training and codes of ethics are associated with employee behaviors. However, it is widely accepted that creativity manifests through the interactions between personal and contextual elements (e.g., Oldham & Cummings, 1996; Shalley, Zhou, & Oldham, 2004; Woodman & Schoenfeldt, 1990) and that moral development, a personal characteristic "to explain why some individuals behave ethically in organizations and others do not" (Adams & Shore, 2001, p.200), is closely associated with ethical behavior along with ethical climate (e.g., Ambrose, Arnaud, & Schminke, 2008; Herron & Gilbertson, 2004; Wimbush, 1999). Therefore, to increase the understanding of the relationships between compliance programs (e.g., codes of ethics and ethics training) and employee behaviors, future studies can include the various interactions between personal variables, such as personality, moral development, and cognitive style, and compliance programs.

Third, cognitive and emotional reactions to ethics codes were selected as moderators based on the argument that after codes of ethics are established, ethics training is conducted (Kaptein, 2015). The findings of this research revealed that value-oriented ethics training can mitigate the negative effects of negative or positive emotional and cognitive reactions to employee behaviors, helping employees regulate emotions towards codes of ethics. Although this research focused on the role of positive emotional reactions to ethics codes, previous research has demonstrated that negative emotions

influence employee behaviors differently from positive emotions (e.g., Conner & Silvia, 2015; Fida et al., 2015). In addition, Urry (2009) demonstrated that the impact of reappraisal to regulate unpleasant emotional episodes is different depending on reappraisal timing. The findings of Urry's (2009) research imply that the moderating effects of cognitive and emotional reactions to ethics codes on employee behavior will be different depending on the time gap between the two work events (i.e., perceiving codes of ethics and taking value-oriented ethics training). In addition, according to Warren et al. (2014), the effect of ethics training deteriorates as time goes by after the training. Warren et al. (2014) and Urry (2009) implied that the timing of ethics training will affect employee behaviors. However, this study did not consider the effect of time on the relationship between value-oriented ethics training, cognitive and emotional reactions to ethics codes, and employee behaviors (i.e., employee creativity and ethical behavior). Therefore, experimental and longitudinal research design including both positive and negative emotions will help future research draw stronger conclusions.

Finally, this research collected data from sales representatives and managers/peers working in pharmaceutical companies in South Korea. Therefore, the nature of this sample may make it difficult to generalize the findings of this research to other contexts with different occupations, industries, and nations. Deshpande and Joseph (2009) argued that the impact of emotional intelligence on ethical behavior can be different depending on occupations such as doctors, pharmacists, technicians, nurses, and other staff although all the above occupations fall under the umbrella of the healthcare industry. In addition, previous research has considered industries (Sims, 1992) and national culture (Beekun & Westerman, 2012) as important antecedents to ethical decision-making and ethical

behavior. This limitation requires empirical studies on the impact of value-oriented ethics training on employee behaviors in diverse contexts.

Conclusion

Current companies are under two competing pressures at the same time to survive in the rapidly changing environment. One is that they should be ethical and the other is that they should be creative. Although the two pressures seem not to be related to each other, they are interconnected. To prevent ethical misconduct of employees, companies establish codes of ethics to formally guide the behaviors of employees (Kaptein & Schwartz, 2008). The codes of ethics can prevent employee creativity that requires out-of-box thinking and psychological safety (Carmeli, Sheaffer, Binyamin, Reiter-Palmon, & Shimoni, 2014) since they force employees to follow rules and regulations and generate negative emotions due to the fear of sanctions that could result from violations of ethics codes. Thus, companies need to address the paradoxical tension between codes of ethics and employee creativity.

To address the above tension, this research paid attention to the role of ethics training. Although the final goal of ethics codes and ethics training is to prevent unethical behavior, codes of ethics and ethics training play a different role (Chen & Soltes, 2018; Kaptein, 2015). While codes of ethics provide behavioral guidelines, ethics training provides opportunities for companies to communicate ethics considerations (including codes of ethics) to their employees; and, for employees, to discuss ethical issues with colleagues. In particular, a value-oriented approach can contribute to building the work environment of open communication, trust, and transparency that motivates employee creativity (Stouten, Rousseau, & De Cremer, 2018). Thus, this research explored the

effect of value-oriented ethics training on employee creativity as well as ethical behavior. Furthermore, employing affective events theory and cognitive appraisal theory, the moderating effects of emotional and cognitive reactions to ethics codes were examined to investigate boundary conditions in which the effect of value-oriented ethics training on employee behaviors (i.e., employee creativity and ethical sales behavior) is strong.

This research confirmed that value-oriented ethics training can address the paradoxical tension between codes of ethics and employee creativity as well as foster ethical behavior. Value-oriented ethics training influenced employee creativity and ethical sales behavior positively. In addition, the findings of this research revealed that value-oriented ethics training can mitigate the negative effects of low positive emotions and cognitions toward ethics codes on employee creativity. The results showed that the effect of value-oriented ethics training on employee creativity was different depending on emotional and cognitive reactions to ethics codes. In general, sales representatives who had high positive emotions and cognition toward ethics codes showed high levels of employee creativity and ethical sales behavior regardless of value-oriented ethics training. While the effect of value-oriented ethics codes on employee creativity was strong when sales representatives had low positive emotions and cognition toward ethics codes, the effect on ethical sales behavior was strong in low positive emotion and high positive cognition toward ethics codes. Providing new insights into how to address the tension between codes of ethics and employee creativity, this study may serve as a useful basis that future studies will rely on to expand a body of knowledge regarding the relationship between compliance programs and employee behaviors.

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APPENDIX A

IRB Exemption Determination Letter

UNIVERSITY OF MINNESOTA

Twin Cities Campus

Human Research Protection Program
Office of the Vice President for Research

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EXEMPTION DETERMINATION

December 11, 2020

Alexandre Ardichvili

651-489-0790
ardic001@umn.edu

Dear Alexandre Ardichvili:

On 12/11/2020, the IRB reviewed the following submission:

Type of Review:	Initial Study
Title of Study:	How Do Organizations Address the Tension Between Codes of Ethics and Employee Creativity? The Role of Ethics Training
Investigator:	Alexandre Ardichvili
IRB ID:	STUDY00011517
Sponsored Funding:	None
Grant ID/Con Number:	None
Internal UMN Funding:	None
Fund Management Outside University:	None
IND, IDE, or HDE:	None
Documents Reviewed with this Submission:	• Invitation Email Text_(SR)_12082020.docx, Category: Recruitment Materials; • HRP-582-TEMPLATE-Social-Behavioral-Consent-Form(manager)_12082020.docx, Category: Consent Form; • HRP-582-TEMPLATE-Social-Behavioral-Consent-Form(SR)_12082020.docx, Category: Consent Form; • survey questionnaire.docx, Category: Other; • HRP-580 - SOCIAL TEMPLATE

	PROTOCOL_Jaekyo Seo_V2.120820.docx, Category: IRB Protocol; • Invitation Email Text_(Manager)_12082020.docx, Category: Recruitment Materials; • the letter of support.pdf, Category: Letters of Support / Approvals (Location);

The IRB determined that this study meets the criteria for exemption from IRB review. To arrive at this determination, the IRB used "WORKSHEET: Exemption (HRP-312)." If you have any questions about this determination, please review that Worksheet in the HRPP Toolkit Library and contact the IRB office if needed.

This study met the following category for exemption:

• (2) Research that only includes interactions involving educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior (including visual or auditory recording) if at least one of the following criteria is met: (ii) Any disclosure of the human subjects' responses outside the research would not reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, educational advancement, or reputation

Ongoing IRB review and approval for this study is not required; however, this determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these activities impact the exempt determination, please submit a Modification to the IRB for a determination.

In conducting this study, you are required to follow the requirements listed in the Investigator Manual (HRP-103), which can be found by navigating to the HRPP Toolkit Library on the IRB website.

For grant certification purposes, you will need these dates and the Assurance of Compliance number which is FWA00000312 (Fairview Health Systems Research FWA00000325, Gillette Children's Specialty Healthcare FWA00004003).

IMPORTANT: All human research conducted at the University of Minnesota must adhere to the IRB guidance and requirements, Office of the Vice President for Research guidance, and the Medical School/Office of Academic Clinical Affairs Sunrise Implementation Plan in response to the COVID-19 pandemic. Non-medical school investigators should contact their Associate Dean for Research for information on the "sunrise" process.

Even with IRB approval, in-person research visits may not take place without documented approval by either the Medical School/OACA sunrise process or the Associate Dean for Research sunrise process. These reviews are intended to protect the health of all research participants and the broader University/Fairview

communities during the COVID-19 pandemic. Researchers must inform the IRB of their approved sunrise plans. The IRB will document the approval status on ETHOS via a comment in the study history section. Please note that IRB approved COVID-19 related research is exempt from the sunrise requirements.

All researchers should review the guidance for the IRB, the medical school and their own departments as guidance is updated frequently.

We strive to provide clear, consistent and timely service to maintain a culture of respect, beneficence and justice in research. Complete a brief survey about your experience.

Sincerely,

Bri Warner
IRB Analyst

APPENDIX B

Research Instruments

Research Instruments

Ethics training (Value-oriented ethics training) by Weaver and Treviño (1999)

1. Ethics training provides counseling for employees.
2. Ethics training encourages employees to accept organizational values.
3. Ethics training supports employees' goals and aspirations.
4. Ethics training suggests performance evaluation criteria based on organizational values.
5. Ethics training helps employees make ethical decision.

Cognitive appraisal of ethics codes (Usefulness of ethics Codes) by Wotruba et al. (2001)

1. Publicizing codes of ethics helps my company.
2. Publicizing codes of ethics helps the pharmaceutical industry.
3. Codes of ethics have helped my company be more successful.
4. Codes of ethics have helped me be more successful.
5. I have found that codes of ethics are very useful to me personally.

Emotional Reaction to codes of ethics (Positive emotions) by Choi et al. (2011)

When I think of ethics codes,

1. I feel delighted
2. I feel pleased
3. I feel happy
4. I feel comfortable

Ethical behavior (Ethical Sales Behavior) by Román and Munuera (2005)

1. If the sales representative is not sure a product is right for a customer, he/she will still apply pressure to get customers to buy.

2. The sales representative stretches the truth about the competition in order to make my product more attractive to the customer.

3. The sales representative lies about the availability of the product in order to make the sale.

Employee Creativity by Zhou and George (2001).

1. The sales representative suggests new ways to achieve goals or objectives.

2. The sales representative comes up with new and practical ideas to improve performance.

3. The sales representative searches out new technologies, processes, techniques, and/or product ideas.

4. The sales representative suggests new ways to increase quality.

5. The sales representative is a good source of creative ideas.

6. The sales representative is not afraid to take risks.

7. The sales representative promotes and champions ideas to others.

8. The sales representative exhibits creativity on the job when given the opportunity to

9. The sales representative develops adequate plans and schedules for the implementation of new ideas.

10. The sales representative often has new and innovative ideas.

11. The sales representative comes up with creative solutions to problems.

12. The sales representative often has a fresh approach to problems.

13. The sales representative suggests new ways of performing work tasks.

Control Variables

1. Tenure
    a. Less than 1 year
    b. 1 – 2 years
    c. 3 – 5 years
    d. 6 – 10 years
    e. More than 11 years
2. Rank
    a. Staff
    b. Assistant Manager
    c. Manager
    d. Senior Manager
    e. General Manager
3. Gender
    a. Female
    b. Male
4. Age
    a. Less than 30 years
    b. 31 – 35
    c. 35 – 40
    d. 41 – 50
    e. More than 50 years
5. Yearly hours of ethics training
    a. Less than 4 hours

b. 4 – 8 hours

c. 9 – 16 hours

d. More than 16 hours